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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
KOLKATA BENCH

CP (CAA) No. 967 / KB / 2018

CA (CAA) No. 517 / KB / 2017

In the matter of the Companies Act, 2013; Section - 230-232

AND

In the matter of: Speedcrafts Ltd. & Anr.



Certified Copy of the Order dated 02.11.2018 passed by this Bench.

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Sl. No.....Date.....

Name.....

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SANCHARI CHAKROBORTY

ADVOCATE

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**FORM NO. CAA.7**  
**[Pursuant to section 232 and rule 20]**  
**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**  
**KOLKATA BENCH AT KOLKATA**

CP (CAA) No.967/KB/2018

CA (CAA) No.517/KB/2017

In the matter of:

An application under Sec.230 – 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

-And-

In the matter of:

Speedcrafts Limited, a Company incorporated under the provisions of the Companies Act, 1956 having its Registered office at Layak Bhawan, Boring Canal Road, Patna – 800 001, Bihar.

-And-

In the matter of:

Phooltas Technologies Private Limited, a Company incorporated under the provisions of the Companies Act, 2013 having its Registered office at Layak Enclave (East), Sahay Nagar, Phulwari Sharif, Patna – 801 506, Bihar.

-And-



In the matter of:

- |  |                       |
|--|-----------------------|
| 1. Speedcrafts Limited                   | : (Demerged Company)  |
| 2. Phooltas Technologies Private Limited | : (Resulting Company) |

.....Applicant/Petitioners

**Order Under Sections 230 and 232 of the Companies Act, 2013**

1. The above Company Petition coming on for further hearing on the 12th October, 2018 and upon hearing the advocate appearing for the Petitioners and upon hearing Deputy Director of Regional Directorate, Eastern Region representing the Central Government the final order was passed on the 25<sup>th</sup> October, 2018. Further amended order was passed on 02<sup>nd</sup> November, 2018.
2. This application has been filed by the Applicant Company, namely, Speedcrafts Limited [hereinafter referred to as the Demerged Company] with Phooltas Technologies Private Limited [hereafter referred to as the Resulting Company] under Section 230 to 232 of the Companies Act, 2013 and their respective shareholders for obtaining sanction of this Tribunal regarding Scheme of Arrangement proposed to be made between the Resulting Transferee Company and the Demerged Company and consequential reduction of issued and paid up capital of the applicant companies and their respective shareholders. A copy of the Scheme of Arrangement has been annexed with the application as Annexure- A page 26 to 66.



3. The object of this application is to ultimately obtain sanction of this Tribunal to a Scheme of Arrangement proposed to be made between the demerged company and their respective shareholders under the Scheme of Arrangement whereby and whereunder: -

i. Both the rail and road businesses of the applicant No.1 have significant potential for growth.

ii. In order to achieve efficiency of operations and management and with the intent of realigning the business operations of the applicant No.1 enabling distinct focus on each of the businesses. The demerged company proposes to demerge the rail business undertaking into the applicant No.2 such that the demerged company can focus on road business and resulting company can focus on the rail business.

iii. It is believed that the proposed segregation will create enhanced value for shareholders and allow a focused strategy in operations.

iv. The demerger proposed by the Scheme of Arrangement will enable investors to separately hold investments in business with different investment characteristics thereby enabling them to select investments.

v. The demerger will also provide scope for independent collaboration and expansion without committing the existing organisation in its entirety.

vi. The Scheme envisage the whole of the rail business undertaking of the applicant company No.1 including all its properties and assets, licenses

be vested in the applicant company No.2 so as to become its properties, assets, licenses and registrations obtained under various regulatory laws.

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131 to 132

- vii. The liabilities of the rail business undertaking of applicant company No.1 shall also be transferred to and vested in and assumed by the applicant company No.2.

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- viii. The Scheme does not envisage any loss of employment and specifically provides that on the Scheme becoming effective all the staff, workmen and employees of rail business undertaking of applicant company No.1 shall deemed to have become the employees of the applicant company No.2 without any break or interruption in their services.

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- ix. Upon coming into effect of this Scheme and in consideration for demerger of the rail business undertaking, the resulting company shall issue and allot equity shares to the shareholders of the demerged Company in the ratio of 1:1.

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4. It is stated in the application that the Board of Directors of the applicant company No.1 have at their board meetings held on 29<sup>th</sup> August, 2017, by a resolution passed unanimously, approved the Scheme of Arrangement. Copy of the board resolutions dated 29<sup>th</sup> August, 2017 of the applicant company No.1 is annexed with the application as Annexure C, page 105 to 106.

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5. It is further stated in the application that the Board of Directors of the applicant company No.2 have at their board meetings held on 20<sup>th</sup> September, 2017, by a resolution passed unanimously, approved the Scheme of

Arrangement. Copy of the board resolutions dated 20<sup>th</sup> September, 2017 of the applicant company No.2 is annexed with the application as Annexure E, page 131 to 132.

6. It reveals from the record that the share capital structure of the Demerged Company is as under: -

Authorised Share Capital.	Amount (Rs.)
3,00,000 Equity Shares of Rs.100/- each	3,00,00,000
Total	3,00,00,000
Issued, subscribed and paid up share capital	
2,25,100 Equity Shares of Rs.100/- each fully paid up.	2,25,10,000
Total	2,25,10,000

7. It reveals from the record that the share capital structure of the Resulting Company is as under: -

Authorised Share Capital.	Amount (Rs.)
1,00,000 Equity Shares of Rs.10/- each	10,00,000
Total	10,00,000
Issued, subscribed and paid up share capital	
1,00,000 Equity Shares of Rs.10/- each fully paid up.	10,00,000
Total	10,00,000



8. It reveals from the record that pursuant to order dated 3<sup>rd</sup> January, 2018 as modified vide order dated 20<sup>th</sup> March, 2018 passed by this Tribunal in C.A. (CAA) No.517/KB/2017, this Tribunal dispensed with the requirement of holding the meeting of the equity shareholders and secured and unsecured creditors of the petitioner company No.2. This Tribunal further directed holding of the meeting of the equity shareholders, secured and unsecured creditors of the petitioner company No.1 and issued ancillary directions for convening such meetings. Copy of the order of the Tribunal dated 20<sup>th</sup> March, 2018 is annexed with the application as Annexure F, page 132 A to 132 P. Relevant part of the order of the Tribunal dated 20<sup>th</sup> March, 2018 is reproduced below: -

- (i) "That a meeting of the equity shareholders of the First Applicant Company/Demerged Company shall be convened and held on 10/5/2018 at 2.00 P.M. at Layak Enclave (East), Sahay Nagar, Phulwari Sharif, Patna - 801 506 for the purpose of considering and if thought, approving with or without modification the proposed scheme of Arrangement;
- (ii) That a meeting of secured creditors of the First Applicant Company/Demerged Company shall be convened and held on 10/5/2018 at 3.00 P.M. at Layak Enclave (East), Sahay Nagar, Phulwari Sharif, Patna - 801 506 for the purpose of considering and if thought, approving with or without modification the proposed scheme of Arrangement;





(iii) That a meeting of unsecured creditors of the First Applicant Company/Demerged Company shall be convened and held on 10/5/2018 at 4.00 P.M. at Layak Enclave (East), Sahay Nagar, Phulwari Sharif, Patna - 801 506 for the purpose of considering and if thought, approving with or without modification the proposed scheme of Arrangement;

(iv) In view of the consent given by the shareholders of the Second Applicant Company/Resulting Company as per the affidavit collectively marked as Annexure O of the application, convening and holding of separate meeting of the shareholders of the Second Applicant Company/Resulting Company, for the purpose of considering and if thought approving with or without modification the proposed Scheme of Arrangement, is dispensed with;

(v) There being Nil secured and Nil unsecured creditors of the Second Applicant Company/Resulting Company, convening and holding of separate meetings of the secured and the unsecured creditors of the Second Applicant Company/Resulting Company, for the purpose of considering and if thought, approving with or without modification the proposed Scheme of Arrangement, is dispensed with."



9. It reveals from the record that the petitioner companies, in compliance of order dated 20<sup>th</sup> March, 2018 of this Tribunal, served notice in Form CAA-2 along with the Scheme of Arrangement, a statement as required under Section 230 of the Companies Act, 2013 upon the Central Government through Regional Director, ROC, Bihar, the Official Liquidator and the Income Tax Department. The notices of the meetings of the equity shareholders, secured and unsecured creditors of First Applicant Company were advertised in Dainik Jagran on 12<sup>th</sup> April, 2018 and individual notices were sent to the shareholders, secured and unsecured creditors.

10. Ld. Counsel for the applicant submitted that in compliance with section 230 (7) of the Act, Statutory Auditor of the transferee company has certified that the Accounting Standards is in conformity with the Accounting Standards under section 133 of the Act. A copy of the said certificate is annexed with the application as Annexure G and H page 133 to 135.

11. Ld. Counsel for the applicant companies submits that no investigation or proceedings under the Companies Act, 1956 have been instituted or pending in relation to the applicant companies.

12. Ld. Counsel further submitted that no winding up petition is pending against any of the applicant companies. None of the applicant companies are engaged in NBFC activities.

13. Ld. Counsel further submitted that the Scheme of Arrangement will be for the benefit of the companies.

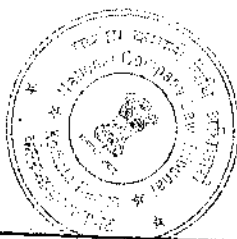
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14. The Regional Director, Eastern Region, Ministry of Corporate Affairs has submitted, vide his affidavit affirmed on 17<sup>th</sup> September, 2018, which is on record. The observations of the Central Government on the scheme is as under: -

*"(a) That it is submitted that on examination of the report of the Registrar of Companies, Patna (Bihar) it appears that no complaint and/or representation has been received against the proposed Scheme of Arrangement. The petitioner companies are also up-dated in filing their statutory returns.*

*(b) It is submitted that the Authorised Capital of the Resulting Company is not sufficient to allot shares to the shareholders of the Demerged Company. The Resulting Company may, therefore, be directed by the Hon'ble Tribunal to increase its Authorised share capital to enable it to allot shares to the members of the Demerged Company only after complying with prescribed procedure as laid down in the Companies Act, 2013 and filing of requisite forms and fees with the office of the concerned Registrar of Companies.*

*(d) In view of the above the Scheme is defective and this Directorate has got objection to the Scheme."*

15. Ld. Counsel for the applicant companies submitted that the Director of the applicant company No.2 undertakes to increase the authorised share capital in due compliance of the Companies Act, 2013 post sanctioning of the Scheme and to pay requisite fees and stamp duty on such increased authorised capital.



16. Ld. Counsel for the applicant companies in course of argument relied the order passed by the Hon'ble Gujarat High Court in the case of of Asian Ti Ltd. (CP No.307 of 2008 wherein the Hon'ble Court has held as under:-

*"As per the scheme, the transferee company is to continue even after merger of the transferor company. But, the alleged breach, if any, or the proceedings based thereon will have to be saved to the extent that if for the alleged breach any competent forum under the relevant statute, has found that the breaches have been committed, it would be open to the concerned authority to initiate the proceedings, and at that stage the directors and/or office bearers of the transferor company would be at the liberty to raise all defence which may be permissible in law and the competent shall be at the liberty to take an independent view on the aspects of the so-called breaches thereafter. Therefore, no conclusion deserves to be recorded on the said aspects by observing that the order of this Court in the present proceedings shall not be read as the question concluded under/or putting seal over such alleged breaches, more particularly, since the issue is covered by the above referred decisions of this Court in case of Arvind Mills as well as Core Healthcare Ltd. (supra). hence, subject to the aforesaid observations, the report of the Official Liquidator should not operate as an obstacle in considering the scheme further for sanction."*



17. Heard Ld. Counsel for the applicant companies and authorized representative of Regional Director, Eastern Region, Ministry of Corporate Affairs at Kolkata. I am of the view that the proposed Scheme does not seem to be contrary to the public policy, nor prejudicial to the interest of its shareholders or detrimental to public interest at large. In addition to the above all statutory compliance have been complied with or further undertaken for making compliance by the applicant companies. Therefore, the present CP deserves to be allowed. The objection raised by the RD, ER, MOC considered. It left open and the official authorities to take appropriate action in this regard. As such, the following order is passed: -

#### THIS TRIBUNAL DOTH ORDER

- i. The said Scheme of Arrangement, being Annexure - A to the petition is sanctioned by this Tribunal which is to be binding on all the shareholders of the petitioner companies and all concerned with effect from 1<sup>st</sup> April, 2016;
- ii. All the properties, rights and interest of the Rail Business Undertaking of Demerged Company, Speedcrafts Limited, be transferred to and vested, without further act or deed, in Resulting Company, Phooltas Technologies Private Limited, and accordingly the same shall pursuant to Section 232 of the Companies Act, 2013 and read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 be transferred to and vested in Resulting Company, Phooltas Technologies Private Limited, subject nevertheless to all charges, now affecting the same;



iii. All the liabilities and duties of the Rail Business of Demerged Company be transferred without further act or deed to Resulting Company and accordingly the same shall pursuant to Section 232 of the Companies Act, 2013 read with Companies (Compromise Arrangements and Amalgamation) Rules, 2016 be transferred to and become the liabilities and duties of the Resulting Company;

iv. All the proceedings and/or suits and/or appeals now pending by or against the Rail Business of Demerged Company shall be continued by or against the Resulting Company;

v. The Resulting Company, in consideration of demerger of Rail Business of Demerged Company, do without any further application or act or deed, issue and allot equity shares to the shareholders of the Demerged Company, Speedcrafts Limited, in the ratio of 1:1 envisaged in the said Scheme of Arrangement and for that, necessary, to increase/decrease the authorised share capital, as the case may be, after complying with prescribed procedures as laid down in the Companies Act, 2013 and by filing requisite forms and fees with the Office of the Registrar of Companies, Bihar;

vi. Leave is granted to the petitioners to file the Schedule of Assets of the Demerged Company as stated in paragraph 18 of the petition within 21 (twenty one) days from the date of this Order;



vii. The 'Demerged Company' and the 'Resulting Company' shall within 30 days after obtaining a certified copy of this order to be delivered to the Registrar of Companies, Bihar for registration and on such certified copy being so delivered to the Registrar of Companies, Bihar shall place all documents relating to Rail Business of the Demerged Company and registered with it on the file kept by it in relation to the Resulting Company and the files relating to Demerged Company (Speedcrafts Limited) and Resulting Company (Phooltas Technologies Private Ltd.) shall be consolidated accordingly;

viii. Any person interested be at liberty to apply to this Tribunal in the above matter for such directions as may be necessary.

18. In the event of the petitioner Companies supplying the legible computerised print out of the Scheme and Schedule of Assets in acceptable form to the Department, the Department will append such computerised print out, upon verification to the certified copy of the order without insisting on a hand-written copy thereof.

19. The Company Petition being CP (CAA) No.967/KB/2018 [in CA (CAA) No.517/KB/2017] is disposed of accordingly.

**Witness:**

Sri Jinan K.R, Hon'ble Member (Judicial) at Kolkata aforesaid the 02<sup>nd</sup> November, 2018 (Amended Order).

Ms. Sanchari Chakraborty, Advocate for the petitioners.

Mr.C.M. Karl Marx DROC, RD (E), MCA.

Schedule of Assets

First Part-I

(As per Annexure)

Second Part-II

(As per Annexure)

Third Part-III

(As per Annexure)



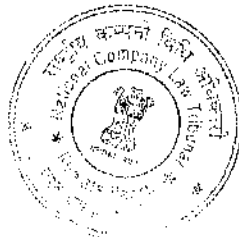
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National Company Law Tribunal

Kolkata Bench

Dated, the <sup>9<sup>th</sup></sup> *January* 2019  
day of ~~December, 2018~~





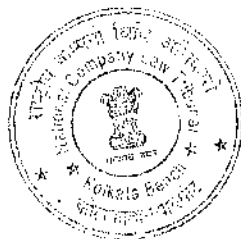


**SCHEME OF ARRANGEMENT**  
**BETWEEN**  
**SPEEDCRAFTS LIMITED**  
**AND**  
**PHOOLTAS TECHNOLOGIES PRIVATE LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**UNDER SECTIONS 230-232 R.W. SECTION 66 OF THE COMPANIES ACT, 2013 R.W.**  
**COMPANIES (COMPROMISES, ARRANGEMENTS, AMALGAMATIONS) RULES**  
**2016**

**1. PREAMBLE**

- A. This Scheme of Arrangement cum Demerger ("the Scheme") is presented pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 1956 r/w Companies (Compromises, Arrangements, Amalgamations) Rules 2016, between **Speedcrafts Limited** ("Demerged Company" or "Speedcrafts") and **Phooltas Technologies Private Limited** ("Resulting Company" or "Phooltas") for vesting of the Demerged Undertaking (as defined subsequently) of Speedcrafts into Phooltas.
- B. Speedcrafts was incorporated on September 18, 1971 under the Companies Act, 1956 in the State of Bihar. The Corporate identity Number of Speedcrafts is U34100BR1971PLC000904. The Registered Office of Speedcrafts is situated at Layak Blmawan, Boring Canal Road, Patna - 800001, Bihar.
- C. Phooltas was incorporated on March 22, 2016 under the Companies Act, 2013 in the State

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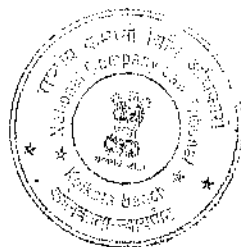


Registrar-in-charge,  
Company Law Tribunal  
Kolkata Bench

of Bihar. The Corporate Identity Number of Phooltas is U34103BR2016PTC026375. The Registered Office of Phooltas is situated at Layak Enclaves (East), Sahay Nagar, Phulwarisharif Patna - 801506, Bihar.

## II. BACKGROUND AND RATIONALE FOR THE SCHEME

- A. Founded in 1971, Speedcrafts is currently engaged in the business of manufacturing machines and equipment for construction and maintenance of roads and buildings, railway tracks, overhead electrical installations on the track, and providing services relating to laying of railway tracks, ultrasonic testing and welding of track, either themselves or in collaboration or joint venture with the third parties.
- B. Speedcrafts' products are built to stringent international and Indian standards and its customer list includes Indian Railways, Defence, State Government Road departments, Contractors and Industries. Export market includes Middle-East, Africa, United States of America, Caribbean Islands, European Countries, Bhutan, Nepal, Sri Lanka, Bangladesh, Singapore, Malaysia, etc.
- C. Based on the aforesaid, the business of Speedcrafts carried on by itself and through its subsidiaries/affiliate companies/ strategic investments in other companies can broadly be segregated into the following:
- Rail Business Undertaking (defined herein below); and
  - Road Business Undertaking (defined herein below)
- D. Phooltas is inter-alia engaged in the rail business including rail-maintenance services and other allied activities.
- E. Both the Rail and Road businesses have significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct and consequently each business is capable of attracting different set of customers, investors, strategic partners, lenders and other stakeholders.



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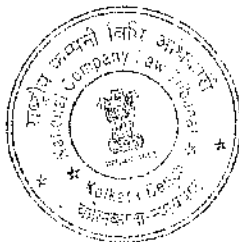
F. In order to achieve efficiency of operations and management and with the intent of realigning the business operations of Demerged Company enabling distinct focus on each of the businesses (Rail and Road). Demerged Company proposes to demerge the Rail Business Undertaking into Phooltas such that the Demerged Company can focus on Road Business and the -Rail Business gets consolidated in Phooltas.

G. It is believed that the proposed segregation will create enhanced value for shareholders and allow a focused strategy in operations, which would be in the best interest of Speedcrafts and its stakeholders. The demerger proposed by this Scheme of Arrangement will enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles.

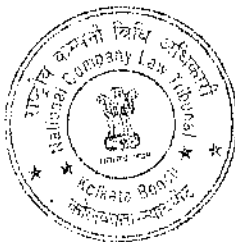
H. The demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.

Further, simultaneously, with the re-organisation and segregation of businesses already being operated with separate bank and credit facilities. Speedcrafts also intends to re-organise the management of various businesses and undertakings to provide focused management attention and leadership required by the businesses which are to be segregated and demerged. In particular, Shri Rajendra Kumar Agarwala, Shri Rohitashwaa Kumar Agarwala and Shri Rajendra Agarwala, would continue to take responsibility for providing such focused management attention and leadership to the segregated and demerged Rail Business Undertaking which they have been doing internally since past few years whereas Shri Satyendra Kumar Agarwala and Shri Shashank Agarwala, would continue to lead the Road Business Undertaking which they have been doing internally since past few years, and to be retained by Speedcrafts.

I. Accordingly, it is proposed that the businesses of the Demerged Company should be segregated consequent to which the Demerged Company would continue to be engaged in



the Road business, while the Rail business will be demerged into the Resulting Company, i.e. Phooltas as a going concern with effect from the Appointed Date (as defined subsequently)



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#### OVERVIEW OF THE SCHEME

This Scheme of Arrangement is divided into following parts:

1. PART A deals with the definitions and share capital of the Demerged Company and the Resulting Company.
2. PART B deals with Demerger and vesting of the Demerged Undertaking of Demerged Company into the Resulting Company.
3. PART C deals with the Remaining Undertaking (as defined hereinafter) of the Demerged Company.
4. PART D deals with the consideration for demerger of Demerged Undertaking and accounting treatment.
5. PART E deals with General Terms and conditions applicable to this Scheme.



**PART A**  
**DEFINITIONS & SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme, unless repugnant to the meaning or context hereof the following expressions shall have the meaning attributed to them as below:

"Act" or "the Act" means the Companies Act, 2013, and rules made there under and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.

"Appointed Date" means the date from which this Scheme shall become operative i.e. April 1, 2016 or such other date as may be approved by the NCLT.

"Board of Directors" or "Board" shall mean the Board of Directors or any committee thereof of the Demerged Company and Resulting Company, as the case maybe.

"Book Value(s)" means the value(s) of the assets and liabilities of the Rail Business Undertaking as appearing in the books of accounts of the Demerged Company at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation of any assets.

"Court" means the National Company Law Tribunal, Kolkata Bench.

"Demerged Company" or "Speedcrafts" means Speedcrafts Limited, a Company incorporated under the Companies Act, 1956, on September 18, 1971 and having its registered office at Layak Bhawan, Boring Canal Road, Patna - 800001, Bihar.



"Effective Date" means the later of the dates on which the certified copies of the Order(s) of the Court sanctioning this Scheme of Arrangement cum Demerger are filed with the Registrar of Companies, Patna by the Demerged Company and the Resulting Company. Any reference in this section of the scheme to "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date".

"Rail Business Undertaking" or "Demerged Undertaking" means and includes entire business relating to Rail Manufacturing and Rail Projects, Contracting and Agency business which is carried on by the Demerged Company on a going concern basis and including all assets and liabilities (whether movable or immovable, tangible or intangible), claims, provisions, duties, contingent liabilities and obligations of whatsoever nature as on the Appointed Date in relation to the Rail business. Without prejudice to the generality of the foregoing, the Rail Business shall mean and include, without limitation:

- a) Manufacturing facility located at Haridwar and Patna, as mentioned in Annexure I, together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises, situate lying and being thereat together with all the plant & machinery, buildings and structures standing thereon relating to Rail Business Undertaking;
- b) all assets and property of the Rail business, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, fixed assets, current assets, inventories, receivables, equipment and installations and utilities, cash balances, bank balances with inland and overseas banks, balances with all regulatory authorities, earliest moneys/ security deposits, deposits with agents, customers and third parties, advances, payment against warrants or other entitlements in connection with or relating to the rail business, including but not limited to the deposits and rent advance paid to Lessor(s) of office premises and facilities in relation to Rail business, consents, registrations, permits, authorities, licenses, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, telephones, telexes, facsimile, internet connections, leased lines, electrical connections, certificates from international bodies, contracts, rights and benefits under insurance policies,



claims, advantages of whatsoever nature and where-so-ever situated, credentials, intellectual property including (but not limited to) trademarks, Patents, copyrights, privileges, goodwill, import quotas, import licenses, industrial designs, labels, label designs and all other rights including lease rights, tenancy rights, authorisations, licenses, quota rights, exemptions, concessions, remissions, subsidies, tax deferrals, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), investments, earnest money and/or deposits, and facilities of every kind, nature and description whatsoever relating to the Rail Business Undertaking.

- c) All the moveable and fixed plant and machinery, equipment, installations, appliances, pipes, tools, accessories, computers, furniture, fixtures, office equipment and power lines, water pipelines, ammonia pipelines relating to Rail Business Undertaking.
- d) Office of the Demerged Company pertaining to the Rail Business Undertaking located at Mumbai.
- e) The immovable property forming part of the Rail Business Undertaking as detailed in Annexure - I.
- f) All investments, if any, of the Demerged Company including investments in joint ventures or subsidiaries which are engaged in Rail business i.e. Phooltas Transrail Limited, Speedtheam Conveyors P. Ltd., Phooltas Transmotives P. Ltd, as well as loans and advances made to them by the demerged company, including accrued interest thereon, as applicable as at the Appointed Date.

All agreements, contracts (including forward contracts), sale and service contracts and arrangements, understandings, bonds, engagements, deeds and instruments including hire purchase agreements, lease agreements, equipment/machine hire agreement, Rake hire agreement, tenancy rights, power purchase sanction agreements, equipment purchase agreements, agreements with suppliers, agreements with clients/purchasers and all rights, obligations, liabilities, titles, interest, claims and benefits thereunder, including but not limited to those as mentioned hereunder relating to Rail Business Undertaking i.e. all

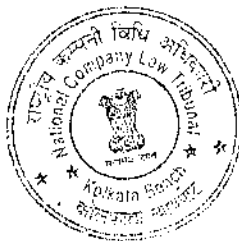
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Contracts with Boxtrans Logistics (India) Services Private Limited/International Cargo Terminals and Rail Infrastructure Private Limited, agreement or Ultrasonic Testing and Flash Butt welding of joints on Railway Tracks and Lines entered into with different Regional and Zonal Railways, all sale, service and other contracts with Harsco Rail USA, or Harsco Corp. USA or their group entities.

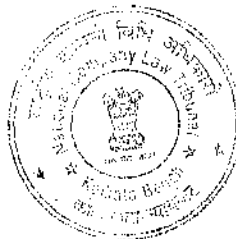
- g) All intellectual property rights, trade marks except trademark "Speedcrafts", domain names, service marks, colour schemes, logo, records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers patents, copy rights, technical know-how, designs, design registrations, model registrations etc. relating to the Rail Business Undertaking;
- h) All the loans and liabilities pertaining to Rail business covering all its debts, borrowings and liabilities, present or future, whether secured or unsecured, which inter-alia includes the loan from State Bank of India or any other bank, financial institution or person as more specifically detailed in Annexure II.
- i) All the products pertaining to the Rail business which inter-alia includes:
- Railway Track and OHE Construction and Maintenance Machinery, such as, Utility Vehicles, OHE Tower Cars, Rail-cum-road vehicles, Ballast Tampers, Ballast Regulators, Stabilizers, Muck Disposal Units, Track Geometry Measurement Equipment, Track Renewal Trains, New Track Construction Machines, Rail Threaders, Rail Buses, Rail Borne Maintenance Vehicles, Motorised Inspection trolleys, Mobile Flash Butt Welding machines and; Rail Grinders, Locomotives, Track Motor Cars, Wagons, etc.
  - Railway equipment which are manufactured/tendered under Phooltas Transrail Limited.
  - Railway Projects such as Track Construction, Flash-butt welding, Ultrasonic testing & flaw detection, Operation & Maintenance Contracts, Service Contracts, etc.
  - Agency and Partnerships with Progress Rail, DMA, ETF, Harsco, Mecno Service, Deutsche Bahn, and other companies relating to the Rail business



- j) All privileges, right to claim tax holidays or concessions or exemptions or relief under various laws including but not limited to trade tax, commercial tax, sales tax, VAT, entry tax, service tax, central excise, income tax, wealth tax, etc. and rules, regulations, notification or order issued thereunder, deferred tax assets, MAT credit entitlement and all other benefits of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company in respect of Rail Business under the provisions of various statutes as applicable and in force as on the Appointed Date.
- k) All records, files, papers, process information, computer programs, manuals, data, catalogues, and other records, whether in physical form or electronic form relating to Rail Business Undertaking;
- l) All employees of the Demerged Company engaged in the Rail Business Undertaking with protection of their current terms and conditions of employment, as at the Appointed Date.
- m) Fifty percent of any claim, compensation or amount receivable by the Demerged Company whether or not so recorded in the books of account of the Demerged Company from Airport Authority on account of land acquisition under any case pending under any law, act, scheme or rule, as such including any interest, refund, penalty, liquidated damages, etc. This 50% share shall be payable to Resulting Company after deducting all taxes, costs, expenses, etc. incurred on this account.

"Record Date" means the date to be fixed by the Board of Directors of the Demerged Company in consultation with the Resulting Company for the purpose of reckoning names of the shareholders of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of this Scheme, which shall be the Effective Date of the Scheme.

"Remaining Business" means the Road Business Undertaking along with businesses, activities and operations presently being managed by the Demerged Company, excluding the Rail Business Undertaking being demerged pursuant to the Scheme.



"Resulting Company" or "Phooltas" means Phooltas Technologies Private Limited, a Company incorporated under the Companies Act, 2013 on March 22, 2016 and having its registered office at Layaic Enclaves (East), Sahay Nagar, Pirulwarisharif, Patna - 801506, Bihar.

"Road business Undertaking" or "Residual Undertaking" means the entire Road and Concrete business and business other than Rail Business Undertaking which is carried on by the Demerged Company on a going concern basis and including all assets and liabilities (whether movable or immovable, tangible or intangible), claims, Provisions, Duties, contingent liabilities and obligations of whatsoever nature as on the Appointed Date in relation to the Road and Concrete business. Without prejudice to the generality of the foregoing, the Road Business shall mean and include, without limitation:

- a) Manufacturing facility located at Haridwar and Patna, as mentioned in Annexure I, together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises, situate lying and being thereat together with all the plant & machinery, buildings and structures standing thereon relating to Road Business Undertaking;
- b) all assets and property of the Road business, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, fixed assets, current assets, inventories, receivables, equipment and installations and utilities, cash balances, bank balances with inland and overseas banks, balances with all regulatory authorities, earnest moneys/ security deposits, deposits with agents, customers and third parties, advances, payment against warrants or other entitlements in connection with or relating to the Demerged Company, including but not limited to the deposits and rent advance paid to Lessor(s) of office premises and facilities in relation to Road business, consents, registrations, permits, authorities, licenses, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, telephones, telexes, facsimile, Internet connections, leased lines, electrical connections, certificates from international bodies, contracts, rights and benefits under insurance policies, claims, advantages of whatsoever nature and where-so-ever situated, credentials, intellectual property including but not limited to trademarks, patents, copyrights, privileges, goodwill, import quotas, import licenses, industrial designs, labels, label designs



and all other rights including lease rights, tenancy right, authorizations, licenses, quota rights, exemptions, concessions, remissions, subsidies, tax deferrals, Privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), Investments, earnest money and/or deposits, and facilities of every kind, nature and description whatsoever relating to the Road Business Undertaking.

- c) All the moveable and fixed plant and machinery, equipment, installations, appliances, pipes, tools, accessories, Computers, furniture, fixtures, office equipment and power lines, water pipelines, ammonia pipelines relating Road Business Undertaking.
- d) The immovable property forming part of the Road Business Undertaking has been detailed in Annexure I.
- e) All investments of the Demerged Company including investments in joint ventures or subsidiaries which are engaged in Road business as well as loans and advances made to them by the demerged company, including accrued interest thereon, as applicable as at the Appointed Date.
- f) All the loans and liabilities pertaining to the Road business covering all its debts, borrowings and liabilities, present or future, whether secured or unsecured, which inter-alia includes the loan from State Bank of India as more specifically detailed in Annexure II.
- g) All the products pertaining to the Road business which inter-alia includes:
  - Road Construction & Maintenance Machinery, such as, Diesel Road Rollers, Drum Mix Plants of all capacity, Concrete Plants, Asphalt Batch Mix Plants, Hot Mix Plants, Road Sweepers, Paver Finishers, Bitumen Pressure Distributors, Wet Mix Plants, Pothole Repairing Machines, Chip Spreader; etc.
  - Road and building construction and maintenance machinery, such as, diesel road rollers, drum mix plants, asphalt batch mix plants, road sweepers, paver finishers, Bitumen pressure distributors, wet mix plants, pothole repairing machines, chip spreader etc;
  - Self-Loading Concrete Mixers, Dumpers manufactured jointly with Dmix SRL, Italy;



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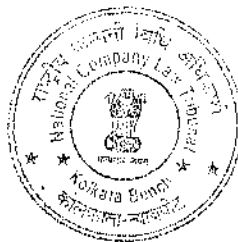
- Bridge and Building construction equipment like Concrete batching plants and concrete conveyors;
- Batch Mix Asphalt plants are manufactured under TOT with an Italian company;
- Concrete Conveyors; and
- Concrete batching plants are manufactured under TOT with a Spanish company.

h) All privileges, right to claim tax holidays or concessions or exemptions or relief under various laws including but not limited to trade tax, commercial tax, sales tax, VAT, entry tax, service tax, central excise, income tax, wealth tax etc. and rules, regulations, notification or order issued thereunder, deferred tax assets, MAT credit entitlement and all other benefits of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company in respect of Road Business under the provisions of various statutes as applicable and in force as on the Appointed Date.

i) All intellectual property rights, trade marks including trademark "Speedcrafts", domain names, service marks, colour schemes, logo, Records, titles, Papers, engineering and process information, computer programmes, manuals, data, Catalogues, quotations, sales and advertising materials, lists of present and former customers patents, copy rights, technical know-how, designs, design registrations, model registrations etc. relating to the Road Business Undertaking;

j) All employees of the Demerged Company engaged in the Road business with protection of their current terms and conditions of employment, as at the Appointed Date.

"Scheme of Arrangement cum Demerger" or "this Scheme" or "the Scheme" shall mean this Scheme of Arrangement cum Demerger in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the Court and other relevant regulatory/statutory/governmental authorities, as may be required under the Act, and/or any other applicable laws.



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

## 2. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.

## 3. COMPLIANCE WITH TAX LAWS

3.1 The demerger of the Demerged Undertaking from the Demerged Company to Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961 (as detailed in Part B - Demerger and Vesting of the Demerged Undertaking into Resulting Company), such that:

- a) all the properties of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the demerger, shall become the properties of Resulting Company, by virtue of such Demerger;
- b) all the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company, immediately before the demerger shall become the liabilities of Resulting Company by virtue of such Demerger;
- c) the properties and the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to Resulting Company at the values appearing in the books of account of Demerged Company immediately before the demerger;
- d) Resulting Company shall issue, in consideration of the demerger, its equity shares to the shareholders of the Demerged Company on a proportionate basis;



e) shareholders holding not less than 3/4" in value of shares of the Demerged Company shall become the shareholders of Resulting Company by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of the Demerged Company or any undertaking thereof by Demerged Company; and

f) The transfer of the Demerged Undertaking shall be on a going concern basis.

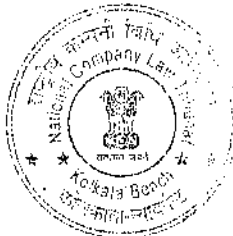
3.2 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA), and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of Demerged Company and Resulting Company, which power can be exercised at any time and shall be exercised in the best interests of the stakeholders.

#### 4. SHARE CAPITAL.

4.1 The share capital of the Demerged Company as on March 31, 2016 is as under:

	Amount (In INR)
<b>Authorised Share Capital</b>	<b>3,00,00,000</b>
3,00,000 Equity Shares of INR 100/- each	
<b>Issued, Subscribed and Paid-up</b>	<b>2,25,10,000</b>
2,25,100 Equity Share of INR 100/- each	

4.2 The Share capital of the Resulting Company as on March 31, 2016 is as under:



	Amount (In INR)
<b>Authorised Share Capital</b>	10,00,000
1,00,000 Equity Shares of INR 10/- each	
<b>Issued, Subscribed and Paid-up</b>	10,00,000
1,00,000 Equity Shares of INR 10/- each	





**PART B**  
**DEMERGER AND VESTING OF DEMERGED UNDERTAKING INTO THE**  
**RESULTING COMPANY**

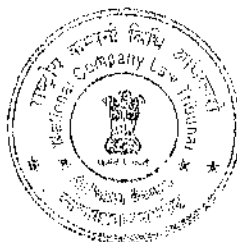
**5. TRANSFER AND VESTING OF RAIL BUSINESS UNDERTAKING**

**5.1 Transfer of Rail Business Undertaking:**

**5.1.1** Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Rail Business Undertaking of the Demerged Company shall, pursuant to the provisions of Sections 230-232 of the Act and all other applicable provisions, if any, of the Act r/w Companies (Compromises, Arrangements, Amalgamations) Rules 2016, without any further act, deed, matter or thing, be and stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis, so as to become, as and from the Appointed Date, the assets and liabilities of the Resulting Company and there shall be vested in the Resulting Company, all the rights, titles, interests or obligations of the said Rail Business Undertaking therein.

**5.1.2** With effect from the Appointed Date and upon the Scheme becoming effective, the tax holidays for the balance period (if remaining and applicable to Demerged undertaking), unutilized CENVAT/Service Tax/VAT credit deposits with statutory authorities, margin money, retention money and other deposits and balances pertaining to the Rail Business Undertaking -shall, under the provisions of Section 230-232 the Act and all other applicable provisions, if any, of the Act r/w Companies (Compromises, Arrangements, Amalgamations) Rules 2016, without any further act, instrument or deed, be and stand vested in, and/or be deemed to be vested in, the Resulting Company.

**5.1.3** All the movable assets including cash in hand, if any, of the Rail Business Undertaking capable of passing by manual delivery, shall be so delivered or endorsed as the case may be, to the Resulting Company without requiring any deed or instrument of conveyance for

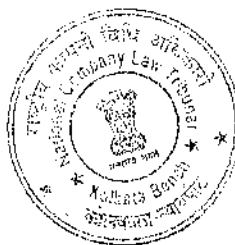


the same and shall become the property of Resulting Company accordingly and as an integral part of the Demerged Undertaking transferred to Resulting Company.

5.1.4 In respect of movable properties of the Rail Business Undertaking other than those specified 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 and customers and other persons pertaining to the Rail Business Undertaking, the following modus operandi for intimating to third parties shall to the extent possible be followed:

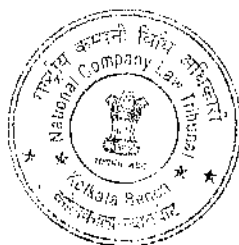
- Demerged Company shall in consultation with the Resulting Company, give notice to each person, party, debtor, loanee or depositee as the case may be, belonging to or related to the Rail Business Undertaking, with copies to the Resulting Company, that pursuant to the Court having sanctioned the Scheme, the said debt, loan, advances, bank balances or deposits be paid or made good or held on account of the Resulting Company as the person entitled thereto to the end and intent that the right of the Demerged Company to recover or realize the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
- The Resulting Company shall also in consultation with the Demerged Company give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositee, as the case may be, belonging to or related to the Rail Business Undertaking, with copies to the Demerged Company, that pursuant to the Court having sanctioned the Scheme, the said debt, loan or deposit be paid or made good or held on account of the Resulting Company and that the right of the Demerged Company to recover or realize the same stands extinguished.

5.1.5 In relation to other assets belonging to such Rail Business Undertaking, which require separate documents for vesting in the Resulting Company, or which the Demerged Company and/ or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company each will execute such deeds,



documents or such other instruments or writings or create evidence, if any, as may be necessary.

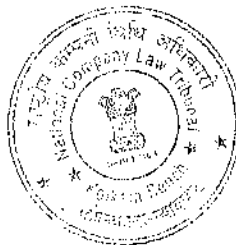
- 5.1.6 The Rail Business Undertaking (including all the rights, claims, title, interest and authorities including accretions and appurtenances thereto such as dividends, or other benefits received including in particular any securities acquired or received by the Demerged Company in any of the companies comprised in the Rail Business Undertaking) shall, without any further act, deed, matter or thing be demerged from the Demerged Company and be and stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis such that all the properties, assets, rights, claims, title, interest, authorities and liabilities comprised in the Rail Business Undertaking immediately before the demerger shall become the properties, assets, rights, claims, title, interest, authorities and liabilities of the Resulting Company by virtue of and in the manner provided in this Scheme.
- 5.1.7 All assets or investments, right, title or interest acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 and other applicable provisions of the Act r/w Companies (Compromises, Arrangements, Amalgamations) Rules 2016.
- 5.1.8 For the purpose of giving effect to the order passed under Sections 230-232 of the Act r/w Companies (Compromises, Arrangements, Amalgamations) Rules 2016 in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of the change in the title and appurtenant legal right(s) upon the vesting of such Rail Business Undertaking in the Resulting Company.
- 5.1.9 All debts, liabilities including but not limited to statutory liabilities such as Central Excise duty, Service tax, VAT, CST, TDS, ESI, EBF, Gratuity etc., amount payable to creditors, vendors, suppliers, all loans and borrowings (both secured and



unsecured) contingent liabilities, duties and obligations of every kind, nature and description attributable to the Rail Business Undertaking shall without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that 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 including but not limited to statutory liabilities such as Central Excise duty, Service Tax, VAT, CST, TDS, ESI, EPF, Gratuity etc., amount payable to creditors, Vendors, suppliers, all loans and borrowings (both secured and unsecured), contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

5.1.10 All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the Rail Business shall be transferred and discharged by the Resulting Company.

5.1.11 The vesting of the Rail Business Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Rail Business Undertaking, provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Rail Business Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Rail Business Undertaking as are vested in the Resulting Company by virtue of this Scheme to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be extended, to any of the other assets of the Demerged Company; provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or any part thereof and this Scheme shall not operate to enlarge such securities, charges



hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Rail Business Undertaking vested in the Resulting Company.

- 5.1.12 All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Rail Business Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Demerged Company in relation to the Demerged Undertaking shall on the Effective Date be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Rail Business Undertaking under any loan agreement shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company.
- 5.1.13 The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those, if any created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Demerged Undertaking or any part thereof transferred to the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the assets of the Demerged Company after the effective date. The absence, of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- 5.1.14 In so far as any Encumbrances over the assets comprised in the Demerged Undertaking are security for liabilities of the Road Business Undertaking retained with the Demerged Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all the assets of the Demerged Undertaking shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained



with the Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

5.1.15 In so far as any Encumbrances over the assets comprised in the Road Business Undertaking are security for liabilities of the Demerged Undertaking transferred to the Resulting Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets transferred to the Resulting Company and shall cease to operate against any of the assets retained with the Demerged Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

5.1.16 Upon the coming into effect of this Scheme, the Resulting Company alone shall from the Appointed Date, be liable to perform all obligations in respect of the liabilities, which have been transferred to them respectively in terms of the Scheme (save for all liabilities retained by the Demerged Company pursuant to the Scheme, which shall be sole obligation of the Demerged Company), and the Demerged Company shall not have any obligations in respect of such liabilities, and the Resulting Company shall indemnify the Demerged Company in relation to any claim, at any time against the Demerged Company in respect of the liabilities which have been transferred to the Resulting Company.

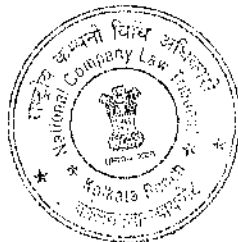
5.1.17 Upon the coming into effect of this Scheme, the relevant experience, track record and credentials of the Rail Business Undertaking in manufacturing, supplying and contracting the products and services thereof to various authorities, agencies and clients prior to its transfer to Resulting Company shall be taken into account and treated and recognized as the experience, track record and credentials of such Demerged Undertaking even after its transfer to Resulting Company, including for the purpose of eligibility, standing,



evaluation and participation of Resulting Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.

5.1.18 In so far as any securities, mortgages, collaterals, charges, encumbrances, Corporate guarantee or liens or those, if any created/given over the assets, comprised in the Road Business Undertaking of the Demerged Company, are security for liabilities and loan of Demerged Undertaking or any other Investee Company or Corporate Bodies as specified under clause (f) of the definition of 'Demerged Undertaking' supra (namely Phooltas Transrail Ltd. and others, if any) before the Appointed Date and after the Appointed Date and till the Effective date in terms of this Scheme, the same shall, after the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations, security and guarantee relating to the same and shall also cease to operate against any of the assets retained with the Demerged Company in terms of this Scheme. The absence of any formal amendment which may be required by the lender or third party shall not affect the operation of the above. Further, all personal guarantees and securities of Shri Satyendra Kumar Agarwala and Shri Shashank Agarwala and all guarantees and securities given by Phooltas UTS Ltd. for the Rail Business Undertaking (including the any contracts, agreements, liabilities, etc.) or any other Investee Company or Corporate Bodies as specified under clause (1) of the definition of 'Demerged Undertaking' supra (namely Phooltas Transrail Ltd. and others, if any), shall also cease to operate. Similarly, personal guarantees and securities of Shri Rajendra Kumar Agarwala and Shri Rohitashwaa Kumar Agarwala and all guarantees and securities given by corporate entities namely Phooltas Transrail Limited and Phooltas Transmotives Private Limited for the Road Business Undertaking shall also cease to operate.

5.1.19 Upon the scheme coming into effect, the Resulting Company shall be solely liable to perform all obligations in respect of all its loans and liabilities which pertain to the Rail Business Undertaking.



5.1.20 Upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company, shall in terms of the agreement with the said lenders, execute any instrument or document and/ or do all such acts or deeds as may be required, including filing necessary forms and documents with the Registrar of Companies to give formal effect to the provisions of this clause.

5.1.21 The provisions in clause 5.1.13 to 5.1.20 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue of any security document, all of which instruments, deeds or writings or the terms of sanction or issue of any security document shall stand modified and/ or superseded by the foregoing provisions.

**5.2 Contracts, deeds, etc.**

5.2.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of as the case may be, the Resulting Company in which the Demerged Undertaking vests by way of the demerger hereunder and may be enforced as fully and effectually as if, instead of the Demerged Company, such Resulting Company had been a party or beneficiary or obligee thereto or thereunder.

5.2.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions; and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to





give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of Part 8 of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

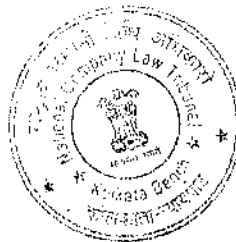
5.2.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the relevant Resulting Company in which the Demerged Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by, issued to or executed in favour of such Resulting Company, and such Resulting Company shall be bound by the terms thereof the obligations and duties thereunder, and the rights and benefits under the same shall be available to such Resulting Company. The Resulting Company shall make applications to and obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

5.2.4 It is clarified that if any assets (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company to which the Demerged Undertaking is being transferred in terms of this Scheme, insofar as it is permissible so to do till such time as the transfer is affected.

5.3 Continuation of legal proceedings:



- 5.3.1 With effect from the Appointed Date and upon the Scheme becoming effective, all suits, actions and proceedings of whatsoever nature by or against the Rail Business Undertaking of the Demerged Company on the Effective Date shall be continued and enforced by or against the Resulting Company.
- 5.3.2 In the event of any difference or difficulty on whether any specific legal or other proceedings relates to the Demerged Undertaking or not, the decision of the Board of Directors of the Demerged Company in this regard shall be conclusive.
- 5.3.3 If the proceedings are taken against the Demerged Company, in respect of matters relating to Rail Business Undertaking, it may defend the same, in accordance with the advice of the Resulting Company. The actual costs of such defence shall be borne exclusively by the Resulting Company. The Resulting Company undertakes to reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 5.3.4 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company in respect of matters relating to Rail Business undertaking changed into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.
- 5.3.5 The Demerged Company shall not be liable or be under any obligation or be responsible for any legal proceedings of any nature whatsoever in relation to the Demerged undertaking and/or any costs, charges, expenses, fees etc. thereof after the Effective date. The Resulting Company shall be liable and responsible for all such legal proceedings in relation to the Demerged undertaking.
6. **TRANSFER BOOK VALUES**
- All the assets, properties and liabilities of the Demerged Undertaking shall be transferred to the Resulting Company at the values appearing in the books of the Demerged Company with change in book values of assets consequent to revaluation being ignored in terms of



Section 2(19AIA) of the Income Tax Act, 1961 as on the date immediately preceding the Appointed Date.

**7. CONDUCT OF BUSINESS**

**7.1** The Demerged Company, with effect from the Appointed Date and up to and including the Effective Date:

- a) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;
- b) all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking based on the audited accounts of the Demerged Company shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company; and
- c) Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.

**7.2** With effect from the Appointed Date and until the Effective Date, the Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and shall not undertake financial

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Section 2(19AIA) of the Income Tax Act, 1961 as on the date immediately preceding the Appointed Date.

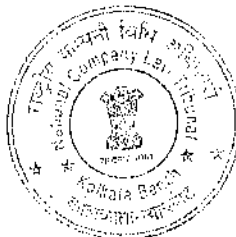
**7. CONDUCT OF BUSINESS**

**7.1** The Demerged Company, with effect from the Appointed Date and up to and including the Effective Date:

- a) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;
- b) all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking based on the audited accounts of the Demerged Company shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company; and
- c) Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.

**7.2** With effect from the Appointed Date and until the Effective Date, the Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and shall not undertake financial

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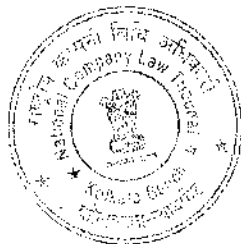


commitments or sell, transfer, alienate, charge, mortgage, or encumber any of the Demerged Undertaking or any part thereof save and except:

- a) if the same is expressly permitted by this Scheme; and
- b) in the normal course of business.

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

- a) All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the date immediately preceding the Appointed Date, whether or not provided in the books of the Demerged Company in respect of the Demerged Undertakings, and all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations relating thereto which arise or accrue to the Demerged Company on or after the Appointed Date in accordance with this Scheme, shall be deemed to be the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Resulting Company to which the Demerged Undertaking is transferred; and
- b) All assets and properties comprised in the Demerged Undertaking as on the date immediately preceding the Appointed Date, whether or not included in the books of the Demerged Company, and all assets and properties relating thereto, which are acquired by the Demerged Company in relation to the Demerged Undertaking, on or after the Appointed Date, in accordance with this Scheme, shall be deemed to be the assets and properties of the Resulting Company to which the Demerged Undertaking is transferred.
- c) It is clarified that all taxes and duties payable by Demerged Company, accruing and relating to the operations of the Demerged Undertaking immediately preceding the Appointed Date and after the Appointed Date, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as taxes and duties payable, advance tax payments, tax deducted at source or refunds and claims of Resulting Company, with effect from the Appointed Date. Accordingly, upon the Scheme coming into effect on the Effective Date and with effect from the



Appointed Date, the Demerged Company and Resulting Company shall be entitled to file/revise its statutory returns and related tax payment certificates and to claim refunds and advance tax credits as may be required consequent to the implementation of the Scheme as permitted under applicable laws.

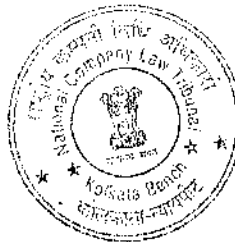
**8. EMPLOYEES**

**8.1** Upon the coming into effect of this Scheme, all employees, staff workers (all working in whatever capacity), of the Demerged Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Effective Date shall become the employees, staff, workers, as the case may be with all accrued benefits of employment from the date of employment of the Resulting Company, and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by the Demerged Company and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking and the Resulting Company shall be responsible and liable to pay such employees staff and workers with all accrued past benefits thereon either on the retirement, termination or cessation of services.

**8.2** In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the employees of the Demerged Undertaking are concerned (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees of the Demerged Undertaking being transferred to the Resulting Company in terms of clause 8.1 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate Funds of the Resulting Company in its own name for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar Funds of the Resulting Company.



- 8.3 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts created by the Demerged Company for the employees of the Remaining Undertaking are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof; and such funds and trusts, if any, shall be held for the benefit of the employees of the Remaining Business.
- 8.4 With effect from the first of the dates of filing of this Scheme with the Court and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of employees of the Demerged Undertaking, except with the written consent of the Resulting Company, unless it is in the ordinary course of business. However, the terms and conditions of their employment with the Resulting Company shall be no less favourable than those on which they were engaged in the Demerged Company.



9. **SAVING OF THE CONCLUDED TRANSACTIONS**

The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking and the continuance of legal proceedings by or against the Resulting Company hereof shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company in terms of this Scheme of Arrangement as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

10. **RESIDUAL UNDERTAKING TO CONTINUE WITH DEMERGED COMPANY**

10.1 The Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

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

- a) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Residual Undertaking for and on its own behalf;
- b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Residual Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- c) All assets and properties acquired by the Demerged Company in relation to the Residual Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

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**PART C**  
**CONSIDERATION FOR DEMERGER OF THE DEMERGED UNDERTAKING AND**  
**ACCOUNTING TREATMENT**

**11. CONSIDERATION FOR DEMERGER - ISSUE OF SHARES BY THE**  
**RESULTING COMPANY AND REORGANISATION OF SHARE CAPITAL**

Upon coming into effect of the Scheme and in consideration of the Demerger, including the transfer and vesting of the Rail Business undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each of the member of the Demerged Company whose name is recorded in the register of members as beneficial owners of the Demerged Company on the Record Date. Equity shares in the ratio of 1 (one) equity share in the Resulting Company of the face value of Rs. 10/- each credited as fully paid-up for every 1(one) equity shares of Rs. 100/- each fully paid-up held by such member in the Demerged Company (the "Share Entitlement Ratio") prior to giving effect to the reduction of capital envisaged under this clause.

- 11.2 From the date of approval of the Scheme by the respective board of directors of the Demerged and Resulting Companies till the date of issuance of the shares to the shareholders in accordance with the Share Entitlement Ratio as above pursuant to the sanctioning of the Scheme, there shall be no change in shareholding structure of the Demerged and Resulting Companies.
- 11.3 The said equity shares to be issued and allotted by the Resulting Company shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall rank pari passu in all respects from the date of allotment in terms of this Scheme, with all rights thereto, and shall be entitled to full dividend, if any, which may be declared by the Resulting Company after the Effective Date of the Scheme.



11.4 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to mean that the said shareholders have also accorded all relevant consents under Section 62( i )(c) of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of Equity shares by the Resulting Company to the shareholders of the Demerged Company to the extent the same may be considered applicable.

11.5 As an integral part of the Scheme, simultaneously with the issuance of shares as envisaged in accordance with the Share Entitlement Ratio as provided in clause 11.1 the entire issued, paid-up and subscribed share capital of the Resulting Company stand reduced and cancelled. Furthermore, the reduction, if any, in the securities premium account of the Demerged Company shall be also effected as an integral part of the Scheme. Accordingly, the Order of the National Company Law Tribunal sanctioning the Scheme shall be deemed to be also the Order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

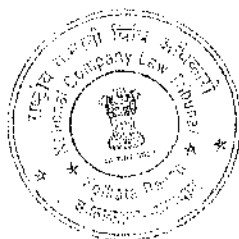
**12. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

12.1 The assets and the liabilities of the Demerged Company being transferred to the Resulting Company shall be at values appearing in the books of accounts of the Demerged Company on the day immediately preceding the Appointed Date. T

12.2 The difference between:

The value of assets transferred pursuant to the Scheme; and value of liabilities transferred pursuant to the Scheme shall be appropriated against the reserves of the Demerged Company in the following order of preferences:

- Capital Reserve
- Investment Allowance Reserve
- Securities Premium Account
- General Reserve



- Profit and Loss Account balance  
and accordingly, the balances standing to the credit of the aforesaid accounts, shall stand reduced to that extent.

**13 ACCOUNT TREATMENT IN THE BOOKS OF THE RESULTING COMPANY**

- 13.1 Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested with it pursuant to this Scheme, at the same value appearing in the books of Demerged Company on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation of any assets.
- 13.2 The Resulting Company shall credit their respective Share Capital Accounts in their books of account with the aggregate face value of the new equity shares issued to the shareholders of Demerged Company pursuant to Clause 13.1 of this Scheme.
- 13.3 The excess or deficit, if any, remaining after recording the aforesaid entries shall be credited by the Resulting Company to their General Reserve Account or debited to goodwill, as the case may be.



**PART D**  
**GENERAL TERMS AND CONDITIONS**

**14. APPLICATION TO COURT**

- 14.1 The Demerged Company and the Resulting Company shall obtain the requisite consents, approvals or permission of any authority as may be required or which by law may be necessary.
- 14.2 The Demerged Company and the Resulting Company shall, with reasonable dispatch, make respective applications to the Court under Sections 230-232 and other applicable provisions, if any of the Act r/w Companies (Compromises, Arrangements, Amalgamations) Rules 2016, seeking necessary orders or directions for dispensing with or convening, holding and or conducting meeting of the classes of their respective shareholders of the Demerged Company and the Resulting Company for sanctioning this Scheme of arrangement with such modifications, as may be approved by the Court.
- 14.3 Upon this Scheme being approved by the requisite majority of the equity shareholders of the Demerged Company and the Resulting Company, the Companies shall, with all reasonable dispatch, file the petition before the Court for sanction of the Scheme under Sections 230-232 and other applicable provisions, if any of the Act r/w Companies (Compromise, Arrangements, Amalgamations) Rules 2016, and for such other Order or Orders, as the Courts may deem fit for carrying the Scheme into effect. Upon this Scheme being approved by the requisite majority of the Shareholders of the Demerged Company and Resulting Company respectively, the Shareholders of these Companies shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in the Scheme.



## 15. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 15.1 The Demerged Company and the Resulting Company through their respective Board of Directors including any Committee of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme on to any conditions or limitations, which the Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.
- 15.2 If any part or provision of this Scheme, is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and Resulting Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.
- 15.3 For the purpose of giving effect to the Scheme after it is sanctioned by the Court, the Directors of the Demerged Company and the Resulting Company are authorized to identify/allocate/apportion the assets and liabilities covered under the Scheme.

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#### 16. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to-

- 16.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned, being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required for giving effect to the Scheme.
- 16.2 The sanction by the Court under Sections 230-232 and other applicable provisions, if any of the Act r/w Companies (Compromises, Arrangements, Amalgamations) Rules 2016 being obtained by the Demerged Company and the Resulting Company.
- 16.3 The filing with the Registrar of Companies, Patna, of certified copies of all necessary orders, sanctions and approvals mentioned above by the respective Companies.
- 16.4 Issuance of shares by Resulting Company to the Shareholders of the Demerged Company, as per Clause 11.1 of this Scheme

#### 17. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act ordered done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with the Scheme.

#### 18. EXPENSES CONNECTED WITH THE SCHEME

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All costs, charges, levies, fees, duties and expenses of the Demerged Company and the Resulting Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme whether such costs are incurred prior to or after the Effective Date, shall be borne and paid equally by the Demerged and the Resulting Company.



**Annexure I - List of immovable properties pertaining to the Rail Business Undertaking and Road Business Undertaking**

**1) Land at Patna with constructions thereon**

The property situated in Layak Enclaves, Sahaynagar, Phulwarisharif, Patna, Bihar  
(in acres)

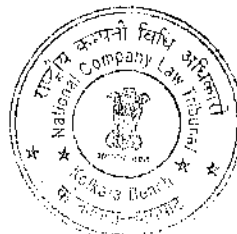
Particulars	Leasehold Land Area
<b>Patna:</b>	
Roads business undertaking	11.76 acres approx.
Rails business undertaking	11.78 acres approx.

**2) Land at Haridwar with constructions thereon**

The property situated at Plot no. 1A, sector 7, IIE, Ranipur, Haridwar, Uttarakhand  
(in sq. mtr)

Particulars	Leasehold Land Area
<b>Haridwar:</b>	
Roads business undertaking	9207.625 sq. mtr approx.
Rails business undertaking	9168.375 sq. mtr approx.

**3) Office space at flat no. 102, 1<sup>st</sup> floor, Punit Chambers, Sector 18, Sampada Station Road, Vashi - Turbhe, Nava Mumbai - 400705, Maharashtra, admeasuring about 790 sq ft built up area including terrace (carpet area 553 sq. ft) used by Rail business undertaking.**





**Annexure II - Secured and Unsecured Loan of Road Business Undertaking and Rail Business Undertaking**

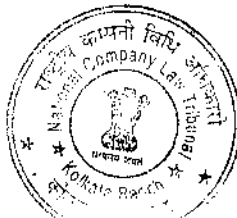
*(Amount in INR lacs as on the appointed date)*

Particulars	Road business undertaking	Rail Business undertaking
<b>Secured Loans</b>		
State Bank of India, SME Boring Road Nageshwar Colony, Patna, Bihar:-		
Cash Dredit	1074.09	1042.63
Standby Line of Credit (SLC)	1.45	Nil
Letter of Credit	62.48	Nil
Bank Guarantee	30.94	385.56
Term Loan	Nil	533.10
Tata Capital Financial Services Ltd.	Nil	7.33
State Bank of Bikaner & Jaipur	Nil	7.36
Hinduja Leyland Finance Ltd.	Nil	17.71
HDFC Bank	Nil	11.30
Sub Total A	1168.96	2004.99
<b>Unsecured Loans :-</b>	251.56	Nil
Speedcrafts Infratech Private Limited, Layak Bhawan, Boring Canal Road, Patna, Bihar	251.56	Nil
Satyendra Kumar Agarwala, Layak Bhawan, Boring Canal Road, Patna, Bihar	9.07	Nil
Rajendra Kumar Agarwala, Layak Bhawan, Boring Canal Road, Patna, Bihar	39.75	Nil

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Shashank Agarwala, Layak Bhawan, Boring Canal Road, Patna, Bihar	0.69	0.16
Sub-Total B	301.07	0.16
Total A+B	1470.03	2005.15



## ANNEXURE A

SCHEDULE OF ASSETS RELATING TO THE RAIL BUSINESS UNDERTAKING OF SPEEDCRAFTS LIMITED TO BE TRANSFERRED FROM SPEEDCRAFTS LIMITED (DEMERGED COMPANY) TO PHOOLTAS TECHNOLOGIES PRIVATE LIMITED (RESULTING COMPANY) AS ON APRIL 1, 2016 i.e THE APPOINTED DATE

### PART - I

A short description of the freehold properties to be transferred by Demerged Company to Resulting Company:-

Office space at flat no. 102, 1st floor, Punit Chambers Commercial Complex Co-operative Society Limited, Sector 18, Sanpada Station Road, Vashi- Turbhe, Navi Mumbai - 400705, Maharashtra, admeasuring about 790 sq ft built up area including terrace (carpet area 553 sq ft)

### PART- II

A short description of the leasehold property/rights to be transferred by the Demerged Company to Resulting Company

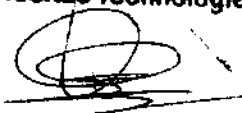
Sl No	Particulars of Land and Building	Area
1	Land at Layak Enclaves, Sahaynagar, Phulwarisharif, Patna - 801506, Bihar including factory shed & building thereon	11.78 acres
2	Land at Plot no. 1A, sector 7, I.I.E, Ranipur, Haridwar - 249403, Uttarakhand including factory shed thereon	9168.375 sq. mtrs.

### PART - III

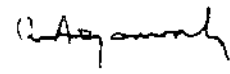
A. Short description of all Plant and Machinery and other fixed assets to be transferred by the Demerged Company to Resulting Company

All the moveable and fixed plant and machinery, equipment, installations, furniture, fixtures, office equipment, computers, Vehicles, Motor cars, Two wheelers, power lines, water pipelines relating to Rail Business Undertaking.

Phooltas Technologies Pvt. Ltd.

  
Director

For SPEEDCRAFTS LIMITED

  
Managing Director



**B. Short description of all stocks, shares, loans, advances, debentures and other charges to be transferred by the Demerged Company to Resulting Company**

All assets including movable properties, tangible and intangible assets and current and non-current assets including inventories, receivables, cash balances, bank balances, earnest moneys/security deposits, deposits with agents, customers and third parties, advances, investments (being 270 equity shares held in Phooltas Transrail Limited) relating to the Rail Business Undertaking as appearing in the books of accounts of the Demerged Company as on the Appointed Date.

**C. Short description of authorized capital of Demerged Company to be transferred to Resulting Company**

NIL

**D. Short description of contract deeds, bonds and other instruments**

All contract deeds, bonds and other instruments of whatsoever nature, all agreements, sale and service contracts and agreements, arrangements, understandings, engagements, deeds and instruments including hire purchase agreements, lease agreements, equipment/machine hire agreement, Rake hire agreement, tenancy rights, and any other agreement relating to the Rail Business Undertaking to which the Demerged Company is a party to be transferred or effected in favour of the Resulting Company.

**E. Short description of licences, permissions, approvals, sanctions, registrations, consents and NOC's**

All licenses permissions, approvals, sanctions, registrations, consents, credentials, NOCs from Government Agencies, government authorities, regulatory authorities, engineering and process information, certificates issued in relation to each product, performance certificate, quality & capacity certificate for each product, licenses, permits or approvals relating to the Rail Business Undertaking to be transferred from Demerged Company to Resulting Company.

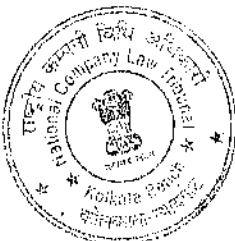
**Phooltas Technologies Pvt. Ltd.**

Director

For SPEEDCRAFTS LIMITED

*[Signature]*

Managing Director





No. .... MA ND-59/2019 .....  
Date of .....  
of application for Copy ..... 09/11/18 .....  
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