

COMPOSITE SCHEME OF ARRANGEMENT FOR
RE-ORGANIZATION OF SHARE CAPITAL OF
HEERA ISPAT LIMITED
AND
AMALGAMATION OF
HEAVY METAL & TUBES LIMITED
(Transferor Company)
WITH
HEERA ISPAT LIMITED
(Transferee Company)

PREAMBLE

HEERA ISPAT LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office 206, Ashwarath Complex, Opp: Hotel Fortune Landmark, Usmanpura, Ahmedabad-380013, Gujarat, is a listed public limited company. It has substantial accumulated losses and is in dire need of huge capital so as to survive.

HEAVY METAL & TUBES LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at 'HEAVY METAL HOUSE', 1, Vijay Vihar Society, Nr. Vijay Cross Road, Navrangpura, Ahmedabad-380009, Gujarat is a unlisted Public limited company engaged in manufacturing and marketing of ferrous, non ferrous, iron and steel, stainless steel, carbon steel and alloy steel pipes and tubes and fittings for several industrial uses. It is a company with substantial financial strength and built up Reserves and Surplus. It has excellent business prospects and sufficient liquid fund for implementation of its business plans.

In order to revive the Transferee Company and provide a viable business proposition, a composite scheme of arrangement is proposed.



This Scheme provides for **Re-organization** of share capital of Heera Ispat Limited to make it realistic and **Amalgamation of Heavy Metal & Tubes Limited** with Heera Ispat Limited. The said scheme is proposed pursuant to sections 391 to 394 read with Sections 100 to 103 and other relevant provisions of the Companies Act, 1956. The scheme can be divided in four parts.

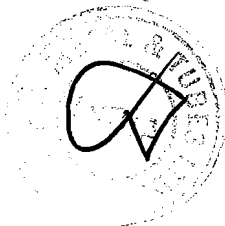
- (I) Definitions and Share Capital
- (II) Restructure of Capital of Heera Ispat Limited, the Transferee Company.
- (III) Amalgamation of Heavy Metals and Tubes Limited, the Transferor Company with Heera Ispat Limited, the Transferee Company
- (IV) General clauses applicable to the scheme as a whole.

PART-I

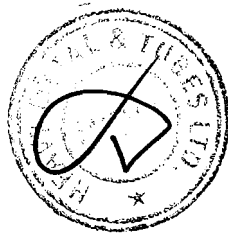
1. DEFINITIONS:

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

- 1.1 **"Act"** means the Companies Act, 1956, and shall include any statutory modifications or re-enactment thereof for the time being in force.
- 1.2 **"Appointed Date"** means **1st APRIL, 2013**, the date with effect from which this Scheme of Amalgamation shall be applicable.
- 1.3 **"Effective Date"** or **"coming into effect of this Scheme"** means the date on which the certified copies of the Orders of the High Court of Gujarat or any other appropriate authority under Section 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Gujarat.
- 1.4 **"Liabilities"** means all the debts, liabilities, dues and obligations payable by the Transferor Company as on the Appointed Date (herein after referred to as "the said liabilities").



- 1.5 **"Record Date"** means such date as may be fixed by the Board of Directors of the Transferee Company as Record Date for the purpose of determining eligibility to receive new Equity Shares of the Transferee Company in terms of Clause 8.1 of the Scheme.
- 1.6 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme in its present form or with any modification(s)/amendment(s), if any, as may be approved, imposed or directed by the High Court (s) or any other appropriate authority sanctioning this Scheme.
- 1.7 **"Transferor Company"** means **HEAVY METAL & TUBES LIMITED**, a company incorporated under the Companies Act, 1956 and having its Registered Office "HEAVY METAL HOUSE," 1, Vijay Vihar Society, Nr. Vijay Cross Road, Navrangpura, Ahmedabad-380009, Gujarat.
- 1.8 **"Transferee Company"** means **HEERA ISPAT LIMITED**, a company incorporated under the Companies Act, 1956 and having its Registered Office at 206, Ashwarath Complex, Opp: Hotel Fortune Landmark, Usmanpura, Ahmedabad-380013, Gujarat,
- 1.9 **"Undertaking"** means and includes the undertaking comprising of:
- 1.9.1 All the investments, assets and properties of the Transferor Company as on the Appointed Date (herein after referred to as "the said assets").
- 1.9.2 Without prejudice to the generality of the provisions of Clause 1.9.1 above, the undertaking of the Transferor Company shall include all investments, shares and stocks held, assets, properties, current assets, reserves, provisions, funds, rights, entitlements, benefits and claims belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company.



- 1.9.3 All deposits, advantages, loans made by the Transferor Company including but not limited to loans already made to the Transferee Company, receivables, funds, cash, bank balances, accounts and all earnest money and/or deposits including security deposits paid by the Transferor Company.
- 1.9.4 All necessary records, files, papers, documents, share certificates in respect of shares held in physical form, shares held in demat account along with the securities held by the Transferor Company and lying to the credit of the Transferor Company and other records whether in physical or electronic form of the Transferor Company.
- 1.9.5 Without prejudice to the generality of the foregoing, it is clarified that all consents, permissions, licenses, certificates, authorities of the Transferor Company, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company. Without prejudice to the generality of the above, all benefits of income tax and any other direct or indirect taxes and/or benefits to which the Transferor Company is entitled in terms of the various statutes and/or schemes of the Union and State Governments, shall be available to and vest in the Transferee Company.
- 1.9.6 All liabilities of the Transferor Company.
- 1.9.7 All permanent employees of the Transferor Company as identified by the Board of Directors of the Transferor Company, as on the Effective Date;
- 1.9.8 Provided however that any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Transferor Company shall be decided by mutual agreement between the Board of Directors of the Transferor Company and the Transferee Company.



2. SHARE CAPITAL:

2.1 The share capital of the Transferor Company as per the latest audited Balance Sheet as at **March 31, 2013** was as under, and there is no change in the same on the Appointed Date:

	(Amount in Rs.)
Authorized Capital	
1,20,00,000 Equity shares of Rs. 10/- each	12,00,00,000
Total	12,00,00,000
Issued, Subscribed and Paid up Capital	
1,12,10,100 Equity Shares of Rs. 10/- each fully paid up	11,21,01,000
Total	11,21,01,000

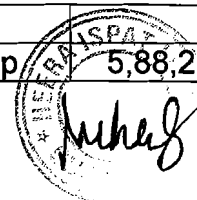
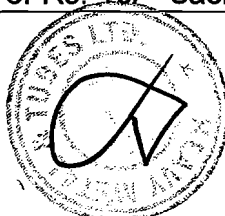
2.2 The share capital of the Transferee Company as per the latest audited Balance Sheet as at **March 31, 2013** was as under, and there is no change in the same on the Appointed Date:

	(Amount in Rs.)
Authorized Capital	
60,00,000 Equity Shares of Rs.10/- each.	6,00,00,000
Total	6,00,00,000
Issued and Subscribed Capital	
58,82,800 Equity Shares of Rs. 10 each.	5,88,28,000
Total	5,88,28,000

Paid up Capital	
57,12,000 Equity Shares of Rs. 10/- each fully paid up	5,71,20,000
1,70,800 Equity shares Rs. 5/- paid- Partly paid up	8,54,000
Total	5,79,74,000

However, unpaid part of the shares was paid up by respective shareholders by June 2013 and hence the paid up capital as on 30th June 2013 is as follows:

Paid up Capital	
58,82,800 Equity Shares of Rs. 10/- each fully paid up	5,88,28,000

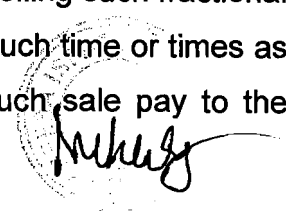
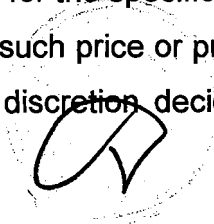


PART-II

3. RE-ORGANISATION OF SHARE CAPITAL OF THE TRANSFeree COMPANY

3.1 The issued, subscribed and paid up capital of the Transferee Company shall stand reduced from Rs. 5,88,28,000/- divided into 58, 82,800 Equity Shares of Rs. 10/- each fully paid up to Rs. 4,70,62,400/- divided into 58,82,800 Equity Shares of Rs. 8/- each. This reduction of Rs. 1,17,65,600/- will be adjusted against the debit balance in profit and loss account of the Company. Accordingly, the debit balance in profit and loss account of the company will stand reduced by Rs. 1,17,65,600/-. The said 58,82,800 Equity Shares of Rs.8/- each shall then be consolidated to 4706240 Equity Shares of Rs. 10/- each. Hence, the Transferee Company shall issue 8 New Equity Shares of Rs. 10/- each against 10 Equity Shares of Rs. 10/- each fully paid up held by the shareholders of the Transferee Company whose names appear on the Register of Members of the Transferee Company on the Record Date.

3.2 No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferee Company are entitled on the issue and allotment of new equity shares by the Transferee Company upon reduction of share capital in accordance with Clause 3.1 of this Scheme. The Board of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferee Company may be entitled as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to an individual trustee or a board of trustees or a corporate trustee (the "Trustee"), who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors; for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the Trustee may in its sole discretion decide and on such sale pay to the



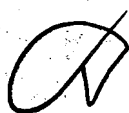
Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferee Company in proportion to their respective fractional entitlements.

3.3 The new equity shares issued and allotted by the Company in terms of Clause 3.1 of this Scheme shall, subject to the provisions of the Memorandum and Articles of Association of the Transferee Company, have the same rights and privileges of the earlier equity shares of the Transferee Company before reduction of share capital, including dividend and voting rights.

3.4 The new equity shares of the Transferee Company issued in terms of Clause 3.1 of this Scheme shall, subject to the execution of the listing agreement, necessary compliances and payment of the appropriate fee, shall be listed and/or admitted to trading on the Bombay Stock Exchange Limited where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange.

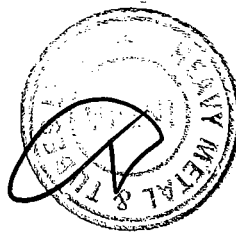
3.5 The New Equity Shares allotted pursuant to Clause 3.1 of this Scheme shall remain frozen in the depositories system till listing / trading permission is given by the Bombay Stock Exchange.

3.6 In so far as the issue of new equity shares by the Transferee Company pursuant to Clause 3.1 of the Scheme is concerned, each of the shareholders of the Transferee Company holding shares in **physical form** shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive, the new equity shares of the Transferee Company pursuant to the reduction of share capital, either in certificate form or in dematerialised form, in lieu of their shares in the Transferee Company in accordance with the terms



hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transfer ee Company, the shares of the Transferee Company shall be issued to such members in physical form. Those of the members of the Transferee Company who exercise the option to receive the shares in dematerialised form shall be required to have an account with a depository participant and shall provide full details thereof and such other confirmations as may be required in the notice provided by such shareholder to the Transferee Company. It is only thereupon that the Transferee Company shall issue and directly credit the demat / dematerialised securities account of such member with the new equity shares of the Transferee Company. The physical share certificates representing the equity shares of the Transferee Company shall stand automatically and irrevocably cancelled on the issue of new equity shares by the Transferee Company in terms of Clause 3.1 of the Scheme.

- 3.1 Each of the members of the Transferee Company holding shares of the Transferee Company in **dematerialised form** shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive, the new equity shares of the Transferee Company pursuant to the reduction of share capital in terms of Clause 3.1 of the Scheme, either in certificate form or in dematerialised form, in lieu of their shares in the Transferee Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferee Company, the shares of the Transferee Company shall be issued to such members in dematerialised form as per the records maintained by the National Securities Depository Limited and/or Central Depository Services (India) Limited on the Record Date.

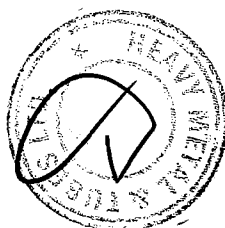


PART-III

4. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY AND CONSEQUENT TRANSFER OF THE UNDERTAKING OF THE TRANSFEROR COMPANY

Upon the coming into effect of this Scheme, with effect from the Appointed Date:

- 4.1 The entire business and undertaking of the Transferor Company, shall, without any further act or deed, but subject to the existing charges, if any, affecting the same be transferred to and vested in and managed by and/or deemed to have been transferred to and vested in and managed by the Transferee Company as a going concern pursuant to Section 394 and other applicable provisions of the Act for all the estate, rights, titles and interests of the Transferor Company therein and on the Appointed Date the Transferor Company shall be deemed to have been amalgamated with the Transferee Company
- 4.2 In respect of such of the assets of the undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be and stand transferred to and vested in, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the Act as its integral part.
- 4.3 In respect of such of the assets of the undertakings other than those referred to in clause 4.2 hereinabove, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act.



- 4.4 All secured and unsecured debts, if any, all liabilities, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter also referred to as "the Liabilities") shall also be and stand transferred or be deemed to be transferred, without further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the Act so as to become the debts, liabilities, duties and obligations of the Transferee Company and further 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, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- 4.5 Any loans or other obligations due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf.
- 4.6 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company may be party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.7 The transfer and vesting of the Undertakings and the liabilities of the Transferor Company to the Transferee Company and the continuance of the contracts or proceedings by or against the Transferee Company shall not affect any transactions contracts or proceedings relating to the Undertakings and the liabilities already concluded or discharged by the Transferor Company in the ordinary course of business on and after the Appointed date to the end



and intent all such transactions, contracts or proceedings already concluded or discharged by the Transferor Company are deemed to have been for and on account of the Transferee Company.

- 4.8 All estates, assets, rights, registrations, title, interests and authorities accrued to and/or acquired by the Transferor Company in relation to or in connection with the Undertakings after the Appointed Date and prior to the Effective Date shall have been deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394 of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
- 4.9 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall be continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.
- 4.10 Upon the coming into effect of this Scheme, all the benefits including those under the Income Tax, and other Tax Laws, Tax Input, credits etc. to which the Transferor Company are entitled to in terms of the various statutes and/or Schemes and/or awards by judicial /quasi judicial bodies (such as Arbitration, Tribunal awards and the like) of Union and State Governments and Statutory authorities, shall be available to and vest in the Transferee Company.

5. CONTRACT, DEEDS, BONDS AND OTHER INSTRUMENTS :

Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements, insurance policies and other instruments of



whatsoever nature to which the Transferor Company are party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations, to which any one or more of the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

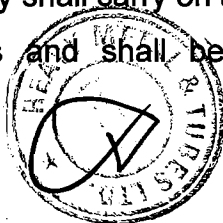
6. LEGAL PROCEEDINGS :

All legal proceedings including suits, writ petitions, actions and proceedings of whatsoever nature by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company in the manner and to the same extent as it would or might have been continued and enforced by or against that respective Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company.

7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE:

With effect from the Appointed Date up to the Effective Date:

- 7.1 The Transferor Company shall carry on and be deemed to have carried on the business and activities and shall be deemed to have held and stood

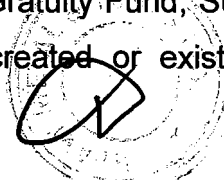


possessed of and shall hold and stand possessed of the said undertakings, for and on account of and in trust for the Transferee Company;

- 7.2 All profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
- 7.3 The Transferor Company shall carry on their business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the undertaking or any part thereof, except in the ordinary course of business or without the prior consent of Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date;
- 7.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Government, Registrars and all other agencies, departments and authorities concerned as may be necessary under any law for such consents, approvals, sanctions and registration which Transferee Company may require to carry on the business of the Transferor Company.

8. EMPLOYEES OF THE TRANSFEROR COMPANY :

- 8.1 All the employees of the Transferor Company in service on the date immediately preceding the Effective Date as are willing to join Transferee Company, shall be deemed to be employed in Transferee Company on such date without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Transferor Company as on the said date.
- 8.2 In so far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Funds or Trusts created or existing for the benefit of the



Signature

employees of the Transferor Company are concerned, upon the Scheme becoming effective, Transferee Company shall, stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Funds or Trusts or in relation to the obligation to make contributions to the said Funds or Trusts in accordance with provisions of such Funds or Trusts as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.

9. CONSIDERATION/ EXCHANGE OF SHARES ON AMALGAMATION:

Upon the Scheme becoming effective-

- 9.1 The Transferee Company shall, without any application being made by the shareholders of the Transferor Company, issue and allot to the Equity Shareholders of the Transferor Company, 4 (Four) Equity Shares of the face value of Re.10/- each in the Transferee Company for every 1 (One) Equity Share held in the Transferor Company, credited as fully paid-up on such date as the Board of Directors of the Transferee Company may decide.**
- 9.2 Equity Shares so allotted by the Transferee Company to the shareholders of the Transferor Company as provided in clause 9.1 of this Scheme, shall, in all respect rank pari-passu with the equity shares of the Transferee Company issue and allotted in accordance with Clause 9.1 of this Scheme, for dividend, voting and other rights.
- 9.3 The new equity shares of the Transferee Company issued in terms of Clause 9.1 of this Scheme, shall subject to the execution of the listing agreement and payment of the appropriate fee, be listed and/or admitted to trading on the Bombay Stock Exchange Limited where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall

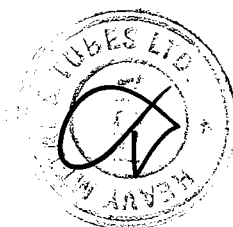


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enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

9.4 In so far as the issue of new equity shares by the Transferee Company pursuant to clause 9.1 above is concerned, each of the shareholders of the Transferor Company holding shares in physical form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before the Record Date, to receive, the new equity shares of the Transferee Company either in physical certificate form or in dematerialised form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in physical form. Those of the members of the Transferor Company who exercise the option to receive the shares in dematerialised form shall be required to have an account with a depository participant and shall provide full details thereof and such other confirmations as may be required in the notice provided by such shareholder to the Transferee Company. It is only thereupon that the Transferee Company shall issue and directly credit the demat/dematerialised securities account of such member with the new equity shares of the Transferee Company. The physical share certificates representing the equity shares of the Transferor Company shall stand automatically and irrevocably cancelled on the issue of new equity by the Transferee Company in terms of Clause 9.1 above.

9.5 Already taken care vide sub clauses of Clause-3 dealing with reduction. The New Equity Shares allotted pursuant clause 9.1 of this Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.



10. REVIVAL OF THE TRANSFEREE COMPANY AND TAKEOVER OF CONTROL OF MANAGEMENT OF THE TRANSFEREE COMPANY

10.1 Upon the Scheme coming into effect, the Board of Directors of the Transferee Company shall be reconstituted at the discretion of the present directors of the Transferor Company and all the existing directors of the Transferee Company or any of them shall resign as directors of the Transferee Company and the Transferee Company shall appoint new directors as may be suggested by the directors of the Transferor Company. Accordingly, upon the Scheme coming into effect, the promoters and directors of the Transferor Company shall acquire and takeover the control of management of the Transferee Company, and the existing promoters and directors of the Transferee Company shall cease control and move out of the management of the Transferee Company.

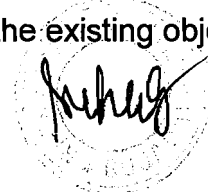
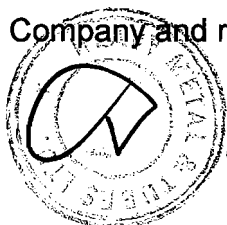
11. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY

11.1 Capital Clause:

Upon coming into effect of the Scheme, the Authorised Share Capital of the Transferor Company viz. Rs. 12,00,00,000/- as mentioned in Clause 2.1 above, or such amount as may be on the effective date, shall be added to the Authorised Share Capital of the Transferee Company, as on the effective date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the Memorandum of Association of the Transferee Company shall be modified accordingly.

11.2 Objects Clause:

Upon coming into effect of the Scheme, the Main Object Clause of the Memorandum and Association of the Transferor Company shall be inserted as Clause No. 3(A) (1) in the Main Objects Clause of the Memorandum of Association of the Transferee Company and renumbering the existing objects,



Clause III (A) shall be modified accordingly:

To carry on the business in India and elsewhere to manufacture, ferrous, non-ferrous, iron and steel, stainless steel, carbon steel and alloy steel pipes and tubes, fitting for industrial, chemical, petrochemical, fertilizer, distilleries, dairy, food, processing, power generation, textiles, paper refineries, metals and malleable grey, casting, steel forging, plate makers, wire drawer, galvanizers, re-rollers and to buy, take on lease or hire, sell, import, export, process, convey, repair and otherwise to deal in such products, raw materials, stores, packing materials of any kinds and branches of the same.

11.3 Name Clause:

Upon the scheme being effective, with effect from the Effective Date or as soon as may be practicable thereafter, and subject to the approval of the Registrar of Companies, the name of the Transferee Company shall be changed from "HEERA ISPAT LIMITED" to "HEAVY METAL & TUBES LIMITED" or such other name as may be approved by the Board of Directors of the Transferee Company.

11.4 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred changes, viz. Change in the Capital Clause and Change in the Objects Clause shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Sections 16, 17, 21, 31, 94, 149 (2A) and 394 of the Companies Act, 1956 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.



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PART- IV

12. ACCOUNTING TREATMENT

- 12.1 The reduction in the issued, subscribed and paid up capital of the Transferee Company consequent upon re-organisation of share capital of the Transferee Company in terms of clause 3.2 of the Scheme shall be adjusted against the debit balance of the Profit & Loss Account of the Transferee Company. Such losses being debit balance of the Profit & Loss Account of the Transferee Company so adjusted shall be available for set off against the future profits of the Transferee Company under the Income Tax Act, 1961.
- 12.2 The Transferee Company shall, upon the amalgamation becoming operative, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Transferor Company as at the close of business of the day immediately preceding the Appointed Date.
- 12.3 Inter-Company Deposits / loans and advances between the Transferee Company and the Transferor Company shall be cancelled.
- 12.4 The transfer of the assets of the Transferor Company pursuant to this Scheme shall be accounted for in accordance with AS – 14 and other applicable accounting standards prescribed under the Act, or by the Central Government or by the Institute of Chartered Accountants of India and in accordance with the generally accepted accounting practices.
- 12.5 Upon the Scheme coming into effect, the excess of the value of the net assets of the Transferor Company as appearing in the books of accounts of the Transferor Company over the paid-up value of the shares to be issued and allotted pursuant to this Scheme shall be credited in the books of the Transferee Company to a separate account to be name and styled as "General Reserve Account". The said account shall be considered as free



reserve and shall form part of the Net Worth of the Transferee Company for all purposes.

- 12.6 Upon the Scheme coming into effect, the shortfall in the value of the paid-up value of the shares to be issued and allotted pursuant to this Scheme and the value of the net assets of the Transferor Company shall be accounted for and dealt with in the books of the Transferee Company as a separate account to be name and styled as "Amalgamation Shortfall Account". The said account can be set off or adjusted against any existing or future profits/ reserves of the Transferee Company.

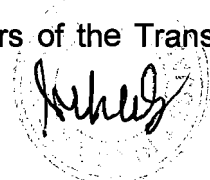
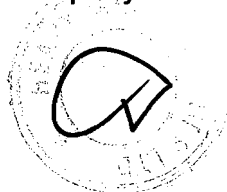
13 APPLICATIONS TO HIGH COURT:

- 13.1 The Transferor Company shall, with all reasonable dispatch, make all applications/petitions under Sections 391 and 394 read with sections 100 to 103 and other applicable provisions of the Act, to the High Court of Gujarat for sanctioning of the Scheme and for its dissolution without winding up under the provisions of the law, and obtain all approvals as may be required under the law.
- 13.2 The Transferee Company shall, with all reasonable dispatch, make all applications/petitions under Sections 391 and 394 and other applicable provisions of the Act, to the High Court of Gujarat for sanctioning of the Scheme under the provisions of the law, and obtain all approvals as may be required under the law.

14 CONDITIONALITY OF THE SCHEME:

The Scheme is conditional upon and subject to:

- 14.1 The Scheme being agreed to by the requisite majority of the members and creditors of the Transferor Company and of the members of the Transferee



Company as required under the Act and the requisite orders of the High Court of Gujarat referred to in Clause 14 above being obtained;

14.2 Such other sanctions and approvals including sanctions of any Government or regulatory authorities, creditor, lessor or contracting party as may be required by law being obtained; and

14.3 The certified copies of the Court orders referred to in this Scheme being filed with the Registrar of Companies, Gujarat.

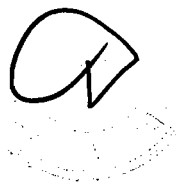
15 OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

16 MODIFICATION / AMENDMENT TO THE SCHEME:

16.1 The Transferor Company and the Transferee Company through their respective Board of Directors or any Director authorized in that behalf by the concerned Board of Directors (hereinafter referred to as "the Delegates") may make or assent from time to time on behalf of all persons concerned to any modifications or amendments of the Scheme or of any conditions or limitations which the High Courts and/or any other authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deed, matters and things necessary for putting the Scheme into effect.

16.2 For the purpose of giving effect to the Scheme or to any modifications or amendments thereof or additions thereto, the Delegates of the Transferor Company or the Transferee Company may give and are authorized to determine and give all such directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the



case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

17 DISSOLUTION OF TRANSFEROR COMPANY :

Upon the completion of the transfer and vesting of the Undertaking of the Transferor Company in to the Transferee Company as provided in this Scheme, Transferor Company shall be dissolved without winding up.

18 SEVERABILITY:

In the event of withdrawal by the Transferor Company from the Scheme, the Scheme shall stand automatically modified to the effect that all references pertaining to the party or the Transferor Company withdrawing from the Scheme appearing wherever in the Scheme shall stand automatically deleted without any further act, instrument or deed and neither the Transferor Company nor the Transferee Company shall be obliged to obtain fresh approval of their respective Board of Directors and Members or Creditors or any of them on their behalf.

19 SCHEME CONDITIONAL ON APPROVAL(S) OR SANCTION(S)

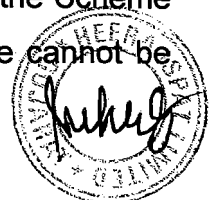
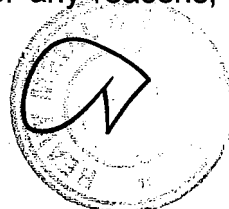
This Scheme is and shall be conditional upon and subject to –

19.1 The approval by the requisite majorities of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company as directed by the High Court of Judicature at Gujarat under Section 391 of the Act, and

19.2 Certified copies of the Orders of the High Court of Judicature at Gujarat sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by the Transferor Company and the Transferee Company.

20 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS:

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any reasons, this Scheme cannot be



implemented in its present form, then the Board of Directors of the Transferor Company and the Transferee Company shall mutually waive or modify such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement or in case this Scheme is not sanctioned by the High Court of Judicature at Gujarat or such other appropriate authority, the Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed for and/or in connection with the Scheme.

21 EXPENSES CONNECTED WITH THE SCHEME:

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid solely by the **Transferee Company**.

For, HEERA ISPAT LIMITED




Mr. Suhag Shah

For, HEAVY METAL & TUBES LIMITED




Mr. Dhaval Jain

Date: 19/09/2013

Place: Ahmedabad