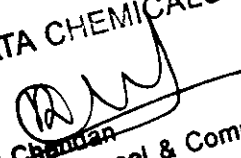


SCHEME OF ARRANGEMENT

For TATA CHEMICALS LIMITED

BETWEEN


Rajiv Chandra
General Counsel & Company Secretary

TATA CHEMICALS LIMITED

AND

YARA FERTILISERS INDIA PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Under Sections 391 to 394 of the Companies Act, 1956 and all other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified).



I. INTRODUCTION:

- (a) Tata Chemicals Limited (hereinafter referred to as "**Transferor Company**" or "**TCL**") is a public limited company incorporated under the provisions of the Indian Companies Act, 1913, having its registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400001, India. The Transferor Company is currently engaged, *inter alia*, in the business of manufacturing and sale of fertilizers including bulk and customized fertilizers through its plant located at Babrala, Uttar Pradesh. The Transferor Company's business constitutes the Divestment Business (*as defined hereinafter*) and the Other Business (*as defined hereinafter*). The equity shares of the Transferor Company are listed on the Stock Exchanges (*as defined hereinafter*).
- (b) Yara Fertilisers India Private Limited is a company duly incorporated under the laws of India, having its registered office at #402 Suyog Fusion Dhole Patil Road, Sangamwadi, Pune - 411001, Maharashtra, India (hereinafter referred to as "**Transferee Company**"). The Transferee Company is engaged in the business of import, sale and distribution of plant nutrition products in India.
- (c) This Scheme of Arrangement (hereinafter referred to as the "**Scheme**") provides for the transfer of the Divestment Business (*as defined hereinafter*) of the Transferor Company to, and vesting thereof in, the Transferee Company, as a "going concern" on a slump sale basis (as defined under Section 2(42C) of the Income-tax Act, 1961), for a lump sum Final Purchase Consideration (*as defined hereinafter*) as set out hereinafter payable by the Transferee Company to the Transferor Company, and in accordance with the terms of the Scheme and pursuant to the provisions of sections 391 to 394 and all other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified).

II. FACTS, RATIONALE AND BENEFITS:

- (a) The Transferor Company and the Transferee Company have entered into an agreement dated August 10, 2016 ("**Implementation Agreement**"), pursuant to which it has been agreed to transfer the Divestment Business of the Transferor Company as a going concern on a slump sale basis to the Transferee Company and in exchange for which, the lump sum Final Purchase Consideration shall be paid by the Transferee Company to the Transferor Company, on the agreed terms and conditions as set out herein below and in the Implementation Agreement.
- (b) The transfer of the Divestment Business pursuant to this Scheme would *inter alia* result in the following benefits:
 - (i) In case of the Transferor Company:
 - 1. Unlocking value for the Transferor Company by sale of part of its assets;
 - 2. Strengthening the balance sheet of the Transferor Company; and
 - 3. Pursue growth opportunities in line with its strategic directions.
 - (ii) In case of the Transferee Company:
 - 1. Creation of value for shareholders by acquiring ready-to-use assets, including business undertakings and reducing time to markets; and

2. Allowing the expansion of the range of the products offered by the Transferee Company and its Affiliates in India.

III. PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

- (a) Part I deals with the definitions and share capital of the Transferor Company and the Transferee Company;
- (b) Part II deals with transfer of the Divestment Business from the Transferor Company and its vesting in the Transferee Company for consideration and matters incidental thereto; and
- (c) Part III deals with the general terms and conditions that would be applicable to the Scheme.

PART – I

DEFINITIONS AND SHARE CAPITAL:

1. DEFINITIONS:

- 1.1 In this Scheme unless the meaning or context otherwise requires (i) terms defined in the recitals and the introductory paragraphs above shall have the same meanings throughout this Scheme; and (ii) the following words or expressions, wherever used, (including in the Recitals and the introductory paragraphs above) shall have the following meanings:
 - 1.1.1 **"Act"** means the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force) and the Companies Act, 1956 (to the extent of the sections thereof that have not been repealed);
 - 1.1.2 **"Adjusted Capex Plan"** means the Capex Plan as agreed between the Transferor Company and the Transferee Company at the Agreement Date, and revisions, if any, which are mutually agreed by the Transferor Company and the Transferee Company. The revisions will be agreed revisions of cost of Capex Plan items, if the Transferor Company can complete the items at the comparable quality and at a lower cost than estimated in the Capex Plan;
 - 1.1.3 **"Adjustment Time"** means 1700 hours (Indian Standard Time) on the day immediately preceding the Completion Date;
 - 1.1.4 **"Affiliate"** means, in relation to the Transferor Company and the Transferee Company, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by, or is under common Control with, the Transferor Company, or the Transferee Company, as the case may be;
 - 1.1.5 **"Agreement Date"** means August 10, 2016;
 - 1.1.6 **"Applicable Law"** means, with respect to any Person, any binding federal, state, national or local statute, law, ordinance, notification, rule, regulation, order, writ, injunction, directive, judgment or decree, or other requirement of any Governmental Authority applicable to such Person or any of their respective properties or assets;
 - 1.1.7 **"Appointed Date"** shall be the Effective Date as defined hereinafter in the Scheme;

- 1.1.8 **"Approval"** means any permission, approval, consent, license, order, decree, authorization, authentication of, or registration, qualification, designation, declaration or filing with or notification, exemption or ruling to or from any Governmental Authority required under any statute or regulation;
- 1.1.9 **"Assumed Litigations"** shall mean all claims, disputes, causes of action, litigation, and such other proceedings as shall remain attached to and/ or relating to the Divestment Business (or a part thereof) and which are listed in **Schedule 1**, other than the Excluded Litigation;
- 1.1.10 **"Babraia Plant"** means the plants utilised for the manufacture of ammonia and urea and customized fertilisers owned by the Transferor Company, located at Babraia, Uttar Pradesh (as more particularly described in **Schedule 5**);
- 1.1.11 **"Board" or "Board of Directors"** means the boards of directors of the Transferor Company and/ or the Transferee Company, as the context may require, and shall include a committee of such board duly constituted and authorized;
- 1.1.12 **"Business Day"** means any day, other than a Saturday and Sunday, on which banks in Mumbai, India remain open for normal business;
- 1.1.13 **"Capex Adjustment"** means the capex adjustment as defined in table B of **Schedule 7**, and is the Adjusted Capex Plan minus the cost of items on the Adjusted Capex Plan incurred by the Transferor Company between Agreement Date and Effective Date, minus capital expenditure incurred by the Transferor Company with prior written consent of the Transferee Company, minus capital work-in-progress, plus creditors for capital goods. It is clarified that if the Capex Adjustment is a positive number, the absolute amount will be deducted from the Purchase Consideration. If the Capex Adjustment is a negative number, the absolute amount will be added to the Purchase consideration;
- It is clarified that (i) the objective of the Capex Plan (the Adjusted Capex Plan) and the Capex Adjustment is to ensure that the Transferor Company carries out the activities stated therein. If the Transferor Company completes such activities at a lower cost than the amount set out in the Capex Plan, at a quality level acceptable to the Transferee Company, the difference, on account of such lower cost, shall be adjusted for in the Adjusted Capex Plan; and (ii) in the event the cost for any item exceeds the amount set out in the Capex Plan, such excess will be to the account of the Transferor Company. In the event that the Transferor Company and the Transferee Company agree that the Transferor Company will do additional projects at the cost of the Transferee Company, this cost will added to the Purchase Consideration, as defined in the Capex Adjustment. For avoidance of doubt, it should be noted that the Transferor Company is required to maintain the asset at the same standard as of the Agreement Date, save for reasonable wear and tear in the ordinary course of business, regardless of the items and amounts in the capex plan, and the Transferor Company will not be reimbursed by the Transferee Company for this, with reference to Clause 7.8 of the Implementation Agreement.
- 1.1.14 **"Capex Plan"** means the Capex Plan as set in **Schedule 2** which may be amended by agreement of the Transferor Company and the Transferee Company, forming the Adjusted Capex Plan;
- 1.1.15 **"CCI"** means the Competition Commission of India;
- 1.1.16 **"Combination Regulations"** shall have the meaning ascribed to such term in Clause 20.1.4;
- 1.1.17 **"Completion"** has the meaning ascribed to such term in Clause 11.3;

- 1.1.18 **"Completion Date"** has the meaning ascribed to such term in Clause 11.1;
- 1.1.19 **"Completion Date Payment"** has the meaning ascribed to such term in Clause 10.4;
- 1.1.20 **"Completion Overpayment"** has the meaning ascribed to such term in Clause 12.5;
- 1.1.21 **"Completion Underpayment"** has the meaning ascribed to such term in Clause 12.6;
- 1.1.22 **"Consent"** means any license, permission, approval, clearance, permit, notice, consent, authorization, waiver, grant, concession, agreement, certificate, exemption, order, or registration from any Governmental Authority or any other Person;
- 1.1.23 **"Control"** and its co-related words "Controlled by" or "under common Control with", in relation to any Person, means: (i) the beneficial ownership, directly or indirectly, of more than 50% (fifty percent) of the voting power exercisable at any meeting of the members of such Person; or (ii) the power to elect a majority of the members of the management board (including directors) of such Person; or (iii) power to direct the management or policies of such Person;
- 1.1.24 **"Current Assets"** means, as of any specified date, all such assets relating or assigned to the Divestment Business which are customarily called current assets under the relevant prevailing Indian GAAP other than cash, and as provided for in the relevant statement of the Transferor Company. Such statement as of June 30, 2016 is set out in **Schedule 3**;
- 1.1.25 **"Current Liabilities"** means, as of any specified date, all such liabilities relating or assigned to the Divestment Business, which are customarily called current liabilities under the relevant prevailing Indian GAAP and as provided for in the relevant statement of the Transferor Company. Such statement as of June 30, 2016 is set out in **Schedule 3**;
- 1.1.26 **"Divestment Assets"** means the Divestment Real Estate, Divestment Equipment, Records, Divestment Contracts, Transferring Inventory, Current Assets and the Non-Current Assets, forming part of the Divestment Business and any assets of the Divestment Business that have a significant co-relation or connection with the Divestment Assets or which are reasonably required to enable the Transferee Company to operate or use the Divestment Business or any Divestment Assets;
- 1.1.27 **"Divestment Business"** means the business of sale and distribution of (i) Urea and (ii) customized fertilisers, in each case manufactured by the Transferor Company through the Babrala Plant; and includes without limitation, the Divestment Assets, the Divestment Liabilities and the Divestment Employees;
- 1.1.28 **"Divestment Contracts"** means the contracts including the rights and obligations thereunder, in relation to the Divestment Business including the key contracts as listed in schedule 5 to the Implementation Agreement;
- 1.1.29 **"Divestment Employees"** means such employees of the Divestment Business that will be transferred to the Transferee Company comprising:
- (a) the existing employees of the Transferor Company based at the Babrala Plant who are involved in the operations and production activities of the Babrala Plant;

- (b) the existing employees of the Transferor in the CAT centre at Aligarh; and
- (c) between 70 (seventy) and 100 (hundred) other employees of the Transferor Company who are directly involved in the Divestment Business, whose identities shall be agreed between the Transferor Company and the Transferee Company within 90 (ninety) days from the Agreement Date *minus* any employees that resign, are dismissed, are terminated or transferred between such date and the Effective Date; *plus* any transfer or hire, from such date up to the Effective Date, as permitted under the Implementation Agreement;
- 1.1.30 **"Divestment Equipment"** means the plant and machinery forming part of the Divestment Business, as stated in the relevant extracts of the fixed assets register of the Transferor Company as listed in schedule 5 to the Implementation Agreement;
- 1.1.31 **"Divestment Liabilities"** means the liabilities and obligations of the Transferor Company related to the Divestment Business or the result or consequences of Assumed Litigations following the Effective Date other than the Excluded Liabilities. For the avoidance of doubt, the Divestment Liabilities shall only consist of and be limited to those listed in **Schedule 4**;
- 1.1.32 **"Divestment Real Estate"** means the lands being used by the Transferor Company in relation to the Divestment Business, a list of which as of the Agreement Date, is specified in **Schedule 5**;
- 1.1.33 **"Effective Date"** shall mean the date on which the Scheme becomes effective in accordance with its terms, which shall be the Completion Date;
- Reference in this Scheme to the date of "coming into effect of this Scheme" or the "Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;
- 1.1.34 **"Encumbrance"** means (a) any mortgage, pledge, lien, charge (whether fixed or floating), hypothecation, assignment, deed of trust, title retention, right of set-off or counterclaim, security interest, security letter conferring any priority of payment in respect of any obligation of any Person; (b) purchase or option agreement or arrangement, right of first refusal, right of first offer, restriction on voting; (c) subordination agreement or arrangement; (d) agreements to create or effect any of the foregoing; (e) interest, option, or transfer restriction in favour of any Person; (f) any adverse claim as to title, possession or use; and (g) any encroachment on immovable properties;
- 1.1.35 **"Estimated Working Capital Adjustment"** means an amount equal to the absolute value of the difference between (i) the Estimated Working Capital Amount and (ii) the Target Working Capital;
- 1.1.36 **"Estimated Working Capital Amount"** has the meaning ascribed to such term in Clause 10.4;
- 1.1.37 **"Excluded Assets"** shall mean all the assets of the Transferor Company and any of its Affiliates, other than the Divestment Assets. It is hereby clarified that the Excluded Assets do not form a part of the Divestment Business and any correlation or connection that an Excluded Asset may have, or may have had, with the Divestment Business is not significant for the normal conduct of the Divestment Business. Without limiting the generality of the foregoing, the Excluded Assets shall include the properties, assets, contracts and rights of Transferor and its Affiliates as listed out in **Schedule 6**;

- 1.1.38 **"Excluded Liabilities"** means any and all liabilities or obligations of the Transferor Company to the extent they are not part of the Divestment Liabilities including those related to or arising out of (a) the Excluded Assets or (b) the operation of the Divestment Business or the ownership or use of the Divestment Assets prior to the Effective Date (other than those included in or forming a part of the Divestment Liabilities);
- 1.1.39 **"Excluded Litigations"** shall mean all litigations other than the Assumed Litigations and which litigations shall not stand transferred to the Transferee Company pursuant to this Scheme;
- 1.1.40 **"Final Completion Statement"** means the statement in the format specified in Part B of Schedule 7, as determined in accordance with Clause 12;
- 1.1.41 **"Final Determination Date"** has the meaning ascribed to such term in Clause 12;
- 1.1.42 **"Final Purchase Consideration"** has the meaning ascribed to such term in Clause 9.1;
- 1.1.43 **"Governmental Authority"** means any: (a) national, provincial or local government or political subdivision or department thereof of any jurisdiction, or any governmental, administrative or regulatory body, commission, board, bureau, agency or instrumentality, or any court, arbitrator, alternative dispute resolution body or tribunal, in each case with applicable jurisdiction; or (b) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative functions of the government or Tax authority or power of any nature in respect of the Transferor Company, the Transferee Company or this Scheme;
- 1.1.44 **"Governmental Authorization"** means all filings, including Consents and Approvals, with any Governmental Authority, Consents (to the extent required from a Governmental Authority), licenses, franchises, permits, concessions, exemptions, orders, certificates, registrations, re-registrations, applications, declarations and filings pertaining to the aforesaid issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Applicable Law.
- 1.1.45 **"Haldia Plant"** means the plant located at Haldia, West Bengal, for the manufacture of DAP, NPK / NP complex fertilizers and SSP;
- 1.1.46 **"High Court Order(s)"** means the order(s) passed by the High Court sanctioning the Scheme and includes any High Court or other applicable authority's order(s) for extension of time or condonation of delay in filing of the requisite forms with the RoC in relation to the Scheme, if applicable;
- 1.1.47 **"High Court"** means the Hon'ble High Court of Judicature at Mumbai having jurisdiction in relation to the Transferor Company and the Transferee Company, as the case may be and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any powers of a High Court in relation to the Scheme under the Act;
- 1.1.48 **"Independent Auditor"** means an international audit firm to be mutually appointed by the Transferor Company and the Transferee Company;
- 1.1.49 **"Indian GAAP"** means and refers to the generally accepted accounting principles as applicable in India, including inter alia accounting standards and other authoritative pronouncements, issued by the Institute of Chartered Accountants of India, or such other body or person having a right under Applicable Laws to issue such accounting standards and other authoritative pronouncements;

- 1.1.50 **"IT Act"** means the Income Tax Act, 1961 and rules and regulations made there under and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force;
- 1.1.51 **"Listing Regulations"** means the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such regulations;
- 1.1.52 **"Long Stop Date"** means the date immediately after the expiry of 18 (eighteen) months from the Agreement Date or such other date as may be agreed between the Transferor Company and the Transferee Company in writing;
- 1.1.53 **"Non-Current Assets"** means, as of any specified date, all such assets relating or assigned to the Divestment Business, which are customarily called non-current assets under the relevant prevailing Indian accounting standards, or as agreed between the Transferor Company and the Transferee Company and set out in **Schedule 3**;
- 1.1.54 **"Non-Current Liabilities"** means, as of any specified date, all such liabilities relating or assigned to the Divestment Business, which are customarily called non-current liabilities under the relevant prevailing Indian accounting standards, or as agreed between the Transferor Company and the Transferee Company and set out in **Schedule 4**;
- 1.1.55 **"Other Business"** means any business of the Transferor Company or any of its Affiliates other than the Divestment Business, including for the avoidance of doubt the business of the Transferor Company conducted by and through the Haldia Plant and the Trading Business and shall also include any business of Transferor Company or any of its Affiliates conducted under the 'Tata', 'Tata Chemicals Limited' or 'TCL' brands;
- 1.1.56 **"Person"** means any individual or other entity, whether a corporation, firm, body corporate, joint venture, trust, association, organization, partnership or proprietorship, whether or not having a separate legal personality, including any Governmental Authority;
- 1.1.57 **"Preliminary Completion Statement"** has the meaning ascribed to such term in Clause 12.1;
- 1.1.58 **"Proposed Completion Statement"** has the meaning ascribed to such term in Clause 10.4;
- 1.1.59 **"Purchase Consideration"** has the meaning ascribed to such term in Clause 9.1.1;
- 1.1.60 **"Records"** means any and all books, accounts and other records relating to the Divestment Business to the extent that they relate to the period up to Completion;
- 1.1.61 **"Representatives"** means the duly authorized directors, officers, managers and employees of the Transferor Company or the Transferee Company, as the context may require;
- 1.1.62 **"RoC"** means the respective Registrar of Companies having jurisdiction over the Transferor Company and the Transferee Company, as the case may be;
- 1.1.63 **"Rs." or "Rupees" or "INR"** means Indian Rupees, the lawful currency of India;
- 1.1.64 **"Scheme" "the Scheme" or "this Scheme"** means this scheme of arrangement in its present form or with any modification(s) made under Clause 19 of this Scheme

or any modifications approved or directed by the High Court or any other Government Authority;

- 1.1.65 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.1.66 **"SEBI Circular"** means Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, issued by SEBI, as amended or replaced from time to time;
- 1.1.67 **"Stock Exchanges"** shall mean the BSE Limited and the National Stock Exchange of India Limited collectively;
- 1.1.68 **"Target Working Capital"** means Rs. 814,23,28,800 (Rupees eight hundred fourteen crores twenty three lakhs twenty eight thousand and eight hundred);
- 1.1.69 **"Tax"** means all applicable forms of taxation, duties, levies imposed, whether direct or indirect, whether central, state or local, including without limitation corporate income tax, service tax, withholding tax, stamp duty, value added tax, customs and excise duties, entry tax, sales taxes, capital tax and other legal transaction taxes, dividend withholding tax, dividend distribution tax, land taxes, and duties and any other type of taxes or duties payable by virtue of any Applicable Law; together with any interest, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction;
- 1.1.70 **"Trading Business"** means and includes the (i) import and sale of bulk fertilisers (DAP, MOP), and (ii) sale and purchase/ contract manufacture of non-bulk fertilisers (specialty fertilisers, seeds, pesticides etc.);
- 1.1.71 **"Transferring Inventory"** means all inventories, wherever located, including all raw materials, work-in-progress, finished products, and packaging and labelling material exclusively or predominantly related to the Divestment Business, whether held at any location or facility of the Transferor Company or in transit to the depot or at a railway siding (but excluding goods in relation to which invoice is issued, but which may not have been delivered and which are not included in the Current Assets), in each case, as of the Adjustment Time;
- 1.1.72 **"Working Capital"** means an amount, in INR, equal to (a) the Current Assets *plus* (b) long-term loans, advances and deposits *less* (c) the Current Liabilities and *less* (d) Non-current Liabilities, in each case calculated as of the Adjustment Time. For the avoidance of doubt, Working Capital shall exclude non-current assets (except long-term loans, advances and deposits) and creditors for capital goods, as defined in **Schedule 7, table A**; and
- 1.1.73 **"Working Capital Adjustment"** means an amount equal to the difference between (i) the Working Capital set forth in the Final Completion Statement; and (ii) the Target Working Capital. The Working Capital Adjustment shall be determined in accordance with **Schedule 7, table A**.
- 1.2 Upon implementation of the provisions applicable to schemes of arrangement contained in the Companies Act, 2013, if the Scheme has been filed with the High Court and is pending disposal, the procedure to be followed from the date of such implementation would be as prescribed in the rules promulgated under the Companies Act, 2013 as may be applicable.
- 1.3 **Interpretation:**
- 1.3.1 In this Scheme, reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the Agreement Date) for the time being in force or to any

provisions replacing such statutory provisions and to all statutory instruments or orders made pursuant to such statutory provisions.

- 1.3.2 Unless the context otherwise requires, words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- 1.3.3 Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the Schedules hereto and shall be ignored in construing the same.
- 1.3.4 The Schedules refer to the schedules to this Scheme and form part of this Scheme. If there is any conflict or inconsistency between a term in the body of this Scheme and a term in any of the Schedules, exhibits or any other document referred to or otherwise incorporated in this Scheme, the term in the body of this Scheme shall take precedence.
- 1.3.5 References to days, months and years are to calendar days (unless otherwise specified), calendar months and calendar years, respectively. Where a period expressed in days, weeks, months or years is to be calculated from the moment at which an event occurs or an action takes place, the day during which that event occurs or that action takes place shall not be counted as falling within the period in question. A period expressed in weeks, months or years shall end with the expiry of whichever day in the last week, month or year (as applicable) of such period is the same day of the week (in the case of weeks), or falls on the same date (in the case of months or years), as the day on which the event or action from which the period is to be calculated occurred or took place. If, for a given period expressed in months, the last day of such period does not fall during the last month expressed to be in such period, such period shall end on the last day of that month.
- 1.3.6 Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under this Scheme is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day.
- 1.3.7 Words "directly or indirectly" mean directly, or indirectly, through one or more intermediary persons or through contractual or other legal arrangements, and "direct or indirect" have the correlative meanings.
- 1.3.8 Any reference in this Scheme to any document shall include reference to such document as amended, modified or restated, whether before or after the Agreement Date.
- 1.3.9 If, in calculating a price or an amount, the relevant variables for such calculation are expressed in different currencies then all such variables for the purposes of such calculation shall be in Rupees.

2. SHARE CAPITAL:

- 2.1 The authorized, issued, subscribed and paid up share capital of the Transferor Company and the Transferee Company as on June 30, 2016, as under:

Transferor Company:

Particulars	Amount (Rupees in Crores)
Authorized Capital	

Particulars	Amount (Rs. Crores)
27,00,00,000 Ordinary Shares of Rs. 10/- each	270.00
Total	270.00
Issued Capital	
25,48,42,598 Ordinary Shares of Rs. 10/- each	254.84
Subscribed and Fully Paid-up Capital	
25,47,56,278 Ordinary Shares of Rs. 10/- each	254.76
Forfeited Shares	0.06
Amount originally paid-up on 86,320 forfeited shares	
Total	254.82

Transferee Company:

Particulars	Amount (Rs.)
Authorized Capital	
20,000,000 Equity Shares of Rs. 10/- each	200,000,000
Total	200,000,000
Issued Subscribed and Paid-up Capital	
13,417,970 Equity Shares of Rs. 10/- each	134,179,700
Total	134,179,700

- 2.2 It is clarified that until the Scheme becomes effective, the Transferor Company and the Transferee Company are free to alter their respective authorised, issued, subscribed and paid up share capital.

PART – II

TRANSFER AND VESTING OF DIVESTMENT BUSINESS IN THE TRANSFEE COMPANY:

3. VESTING OF DIVESTMENT BUSINESS:

- 3.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Divestment Business in its entirety shall, pursuant to Sections 391 to 394 read with other relevant provisions of the Act and without any further act, instrument, deed, matter or thing be transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Transferee Company as a 'going concern' on a slump sale basis for a lump sum consideration as set out hereinafter free from all Encumbrances, subject to the following:
- 3.1.1 In the event any part of the Divestment Business intended to be transferred does not get transferred to the Transferee Company upon the effectiveness of the Scheme, the Transferor Company and the Transferee Company undertake to take all necessary steps, and execute all necessary documents, to ensure the transfer of such part of the Divestment Business thereof to the Transferee Company forthwith without any further consideration. The Transferor Company and the Transferee Company agree that pending such transfer, the Transferor Company shall hold such part of the Divestment Business in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same without incurring monetary obligations for such actions.
- 3.1.2 The Divestment Assets, Divestment Liabilities, Assumed Litigations and the Divestment Employees which form part of the Divestment Business shall be transferred to the Transferee Company in accordance with this Scheme. For the avoidance of doubt, the Other Business shall continue to vest in the Transferor Company;
- 3.1.3 Upon the Scheme becoming effective, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Laws or to

be carried out or performed in relation to or as a consequence of the vesting of the Divestment Business into the Transferee Company.

4. DIVESTMENT ASSETS:

4.1 Without prejudice to the generality of Clause 3 (*Vesting of Divestment Business*) above, upon the Scheme coming into effect and at all times with effect from the Appointed Date, the Divestment Assets shall stand transferred to and vested in the Transferee Company in the following manner, unless specifically otherwise provided under the Scheme,:

4.1.1 The Divestment Assets, which are movable in nature, and/or otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery, the same may, upon coming into effect of this Scheme, be so transferred or deemed to be so transferred to the Transferee Company, and shall become the assets of the Transferee Company and title to the assets will be deemed to have been vested accordingly without requiring any deed or instrument of conveyance pursuant to the provisions of Sections 391 to 394 and/or other applicable provisions of the Act and shall upon such transfer become the property of, and an integral part of, the Transferee Company.

4.1.2 The Divestment Real Estate (including land together with the buildings and structures standing thereon), whether freehold or leasehold and all documents of title, rights and easements in relation thereto, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 391 to 394 and/or other applicable provisions of the Act. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfil all obligations, in relation to or applicable to such immovable properties.

4.1.3 In respect of the Divestment Assets other than those dealt with in Clause 4.1.1 and 4.1.2 above, the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any Person in pursuance of the provisions of the Sections 391 to 394 read with other relevant provisions of the Act to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company. The Transferee Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Person, as the case may be, that the said assets stand transferred to and vested in the Transferee Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes.

4.1.4 Without prejudice to the aforesaid and Clause 6 (*Divestment Contracts*), the Transferee Company may, if so required under any Applicable Law or otherwise, at any time after the Scheme becoming effective, in accordance with the provisions hereof, execute or enter into any arrangements, conveyance, confirmations, deeds, documents, letters or any other instruments relating to any Divestment Assets with any party to any contract or agreements to which the Transferor Company is a party. For such purposes, if so requested by the Transferee Company, the Transferor Company shall provide the required assistance.

4.1.5 In so far as the Divestment Assets are concerned, any Encumbrance over them, to the extent that such Encumbrance relates to any liabilities (*other than the Divestment Liabilities*) of the Transferor Company, shall, without any further act, instrument, or deed, be released and the Divestment Assets shall no longer be available as a security for such liabilities. The absence of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.



- 4.1.6 In so far as the assets of the Other Business are concerned, any Encumbrance over them, to the extent they relate to the Divestment Liabilities (*other than the liabilities of the Other Business*) shall, without any further act, instrument, or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.
- 4.1.7 Without prejudice to what is stated in Clauses 4.1.5 and 4.1.6 above, the Transferor Company and the Transferee Company shall execute such documents/ instruments or do all such acts and deeds including filing of necessary particulars and/ or modification of charge with the concerned RoC to give formal effect to the above Clauses, if required.

5. DIVESTMENT LIABILITIES:

- 5.1 Without prejudice to the generality of Clause 3 (*Vesting of Divestment Business*) above, upon the Scheme becoming effective, the Divestment Liabilities shall stand transferred to and vested in the Transferee Company in the following manner, unless specifically otherwise provided under the Scheme:
- 5.1.1 Upon the Scheme becoming effective and with effect from the Appointed Date, all Divestment Liabilities shall, to the extent they are outstanding on the Effective Date, without any further act or deed become liabilities of the Transferee Company and all rights, powers, duties, and obligations in relation thereto shall stand transferred to, vested in, and shall be exercised by or against the Transferee Company, as if it has incurred such liabilities. The Transferee Company shall undertake to meet, discharge and satisfy the same to the exclusion of the Transferor Company.
- 5.1.2 Prior to and upon the Scheme becoming effective, all the liabilities other than the Divestment Liabilities and those relating to the Other Business, whether provided or not in the books of account of the Transferor Company, shall continue to remain the liabilities of the Transferor Company. The Transferor Company shall undertake to meet, discharge and satisfy the same to the exclusion of the Transferee Company.
- 5.1.3 On transfer to and vesting of the Divestment Business in the Transferee Company, the mortgages and charges, if any, affecting the same shall, subject to sub-clauses 4.1.6, 4.1.7 and 4.1.8, be as hereinafter provided:
- (a) The Encumbrances relating to the Divestment Business, whether existing or those created by the Transferor Company, over the assets of the Divestment Business or any part thereof transferred to the Transferee Company by virtue of this Scheme, shall be released. Such Encumbrances shall not relate or attach to any of the assets of the Divestment Business or any other assets of the Transferee Company.
- (b) The Encumbrances shall after the Effective Date relate and attach to the assets or any part thereof of the Other Business of the Transferor Company.
- 5.1.4 Without prejudice to the provisions of the foregoing Clauses and with effect from the Effective Date, the Transferor Company and the Transferee Company shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned RoC to give formal effect to the provisions of this Clause, if required.
- 5.1.5 With effect from the Effective Date, the Transferee Company alone shall be liable to perform all obligations in respect of the Divestment Liabilities and the

Transferor Company shall not have any obligations in respect of the Divestment Liabilities.

- 5.1.6 With effect from the Effective Date, the Transferor Company alone shall be liable to perform all obligations in respect of the Other Business and the Transferee Company shall not have any obligations in respect of the Other Business.
- 5.1.7 It is expressly clarified that, save as mentioned in this Scheme, no other terms or conditions of the Divestment Liabilities are modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 5.1.8 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds, and writings and the terms of sanction or issue of any security document shall stand modified and/or superseded by the foregoing provisions.

6. DIVESTMENT CONTRACTS:

- 6.1 Without prejudice to the generality of Clause 3 (*Vesting of Divestment Business*) above, upon the Scheme becoming effective, the Divestment Contracts shall stand transferred to and vested in the Transferee Company in the following manner, unless otherwise specifically provided under the Scheme:
 - 6.1.1 Upon the Scheme becoming effective and subject to the other provisions contained in this Scheme, all Divestment Contracts entered into, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if the Transferee Company instead of Transferor Company, had been a party thereto. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence.
 - 6.1.2 Without prejudice to what is stated in Clause 6.1.1 above, upon the Scheme becoming effective, the Transferee Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.

7. ASSUMED LITIGATIONS:

- 7.1 Without prejudice to the generality of Clause 3 (*Vesting of Divestment Business*) above, upon the Scheme becoming effective, the Assumed Litigations shall stand transferred to the Transferee Company in the following manner:
 - 7.1.1 Upon the Scheme becoming effective and subject to the other provisions contained in this Scheme, all the Assumed Litigations shall be enforced by or against the Transferee Company.
 - 7.1.2 Upon the Scheme becoming effective and subject to the other provisions contained in this Scheme, the Transferee Company shall assume, and shall agree to pay, perform and discharge when due, all liabilities and obligations of the Transferor Company, related to or arising out of in any manner, the Assumed Litigations.
 - 7.1.3 Upon the Scheme becoming effective, all the Excluded Litigations shall remain with the Transferor Company.

7.1.4 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall, wherever necessary, enter into and/or execute all such documents as maybe necessary to give formal effect to the provisions of this Clause.

8. DIVESTMENT EMPLOYEES:

8.1 Without prejudice to the generality of Clause 3 (*Vesting of Divestment Business*) above, upon the Scheme becoming effective, the Divestment Employees shall stand transferred to the Transferee Company in the following manner:

8.1.1 The Divestment Employees shall become employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Divestment Business of the Transferor Company immediately prior to the transfer of the Divestment Business.

8.1.2 The Transferee Company agrees that the service of all Divestment Employees up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

8.1.3 The Transferee Company shall make all the necessary contributions for such Divestment Employees, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations in respect of the Divestment Business with the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Company.

8.1.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund / trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits created by the Transferor Company for the Divestment Employees are concerned, such proportion of the funds, contributions to the funds or trusts or the scheme or the investments made into the funds, schemes or trusts relating to the Divestment Employees as on the Effective Date, upon the Scheme becoming effective, shall be transferred to the necessary funds, schemes or trusts of the Transferee Company and till the time such necessary funds, schemes or trusts are created by the Transferee Company, all contributions shall continue to be made to the existing funds, schemes or trusts of Transferor Company and will be transferred to the funds, schemes or trusts once created by the Transferee Company.

9. FINAL PURCHASE CONSIDERATION:

9.1 The total lump sum consideration payable by the Transferee Company to the Transferor Company for the purchase of the Divestment Business ("**Final Purchase Consideration**") on a slump sale basis, on the terms and conditions of this Scheme, shall be:

9.1.1 Rs. 2669,61,60,000 (Rupees two thousand six hundred sixty nine crores sixty one lakhs and sixty thousand) ("**Purchase Consideration**");

9.1.2 *plus*, the Working Capital Adjustment (if the Working Capital set forth in the Final Completion Statement is greater than the Target Working Capital) or (ii) *minus*

the Working Capital Adjustment (if the Working Capital set forth in the Final Completion Statement is less than the Target Working Capital), as the case may be;

- 9.1.3 *plus/ minus* the Capex Adjustment. It is clarified that the Transferee Company shall not be liable to reimburse the Transferor Company for incurring the capital expenditure committed in the Capex Plan.

10. CONDUCT OF DIVESTMENT BUSINESS TILL COMPLETION DATE:

- 10.1 On and from the Agreement Date and up to and including the Completion Date, the Transferor Company shall so far as permitted by Applicable Law carry on the Divestment Business in all material respects as a going concern in the ordinary course as carried on immediately prior to the Agreement Date. Notwithstanding the foregoing, but without limiting its generality, the Transferor Company covenants that it will comply with the provisions of clause 7.2 of the Implementation Agreement.
- 10.2 On and from the Agreement Date and up to and including the Completion Date, the Transferor Company shall use commercially reasonable efforts to, where required pursuant to Applicable Law or considered as being reasonably prudent (in the opinion of the Transferor Company), file applications to Governmental Authorities for relevant Governmental Authorisations or for approval of a court of law, tribunal or any other authorization, Approval, Consent or waiver of a third party (if applicable), in the name of and for the benefit of the Transferee Company.
- 10.3 No later than 10 (ten) Business Days prior to the Completion Date, the Transferor Company shall deliver to the Transferee Company, with reasonably detailed supporting information, a statement ("**Proposed Completion Statement**") setting forth, as per **Schedule 7 (Completion Statement)**, (i) a reasonable, good faith estimate of the Working Capital of the Divestment Business as of the Adjustment Time ("**Estimated Working Capital Amount**"), (ii) the amount of the capital expenditure actually incurred by the Transferor Company, whether (a) towards the capital expenditure committed in the Capex Plan or (b) incurred by the Transferor Company with prior written consent of the Transferee Company from the Agreement Date; and (iii) the amount, computed as per the following formula, to be paid by the Transferee Company to the Transferor Company on the Completion Date ("**Completion Date Payment**"):

10.3.1 the Purchase Consideration;

10.3.2 (i) *plus* the Estimated Working Capital Adjustment (if the Estimated Working Capital Amount is greater than the Target Working Capital) or (ii) *minus* the Estimated Working Capital Adjustment (if the Estimated Working Capital Amount is less than the Target Working Capital);

10.3.3 *plus/ minus* the Capex Adjustment.

It is clarified that the Transferee Company shall not be liable to reimburse the Transferor Company for incurring the capital expenditure committed in the Capex Plan.

11. COMPLETION:

- 11.1 Completion shall be on a date mutually agreed between the Transferor Company and the Transferee Company but shall be no later than 20 (twenty) Business Days from the later of (a) the date of receipt of the High Court Order(s) sanctioning the Scheme (or the High Court Order(s) for granting extension of time or condonation of delay in or granting extension of time for filing e-form INC 28, if applicable); (b) fulfilment of the Regulatory Approvals; and (c) issue of Transferor CP Satisfaction Certificate in terms of the Implementation Agreement ("**Completion Date**").

- 11.2 The activities/ matters contemplated under this Scheme to be completed on the Completion Date shall be deemed to occur simultaneously and no such activity/ matter shall be consummated, or be deemed to be consummated, unless all such activities/ matters have been consummated.
- 11.3 On the Completion Date, each of the following shall be simultaneously undertaken:
- 11.3.1 The Transferor Company and the Transferee Company shall each duly file e-form INC 28 on the website of the Ministry of Corporate Affairs;
- 11.3.2 The Transferee Company shall convene a meeting of its Board of Directors or committee of directors so authorised for declaring the effectiveness of the Scheme, and shall provide a certified true copy of the said resolution to the Transferor Company; provided that failure to hold such meeting will not render the Scheme ineffective;
- 11.3.3 The Transferor Company shall convene a meeting of its Board of Directors or committee of directors so authorised for declaring the effectiveness of the Scheme and shall provide a certified true copy of the said resolution to the Transferor Company; provided that failure to hold such meeting will not render the Scheme ineffective;
- 11.3.4 The Transferee Company shall pay to the Transferor Company an amount equal to the Completion Date Payment, in immediately available funds, in the designated bank account of the Transferor Company, details whereof shall be provided by the Transferor Company to the Transferee Company at least 5 (five) Business Days prior to the Completion Date;
- 11.3.5 The Divestment Business (including the Divestment Assets, the Divestment Liabilities, the Divestment Employees and the Assumed Litigations) and all rights, benefits and interest therein, shall stand transferred to the Transferee Company pursuant to the Scheme in the manner set out herein, free of any Encumbrance.
- 11.3.6 The Transferor Company and the Transferee Company shall enter into separate lease agreements for:
- (a) land admeasuring 1.292 hectares situated at Khasra No.1046 and 1047, village Naiparapur, Pergana, Tehsil Khairabad, district Sitapur;
 - (b) land admeasuring 2.6375 acres situated at Khewat/Khatauni No.883/1493 rectangle and Killa Nos.146/21/1(3-11), 193/1/1/1(3-12), 147/25(6-0), and 192/5/1(7-19) situated at Sunam-B, Tehsil Sunam, district Sangrur; and
 - (c) land admeasuring 0.798 hectares situated at Khasra Plot Nos.514/1, 514/2 and 662, village Ram Nagar Karjaha, Tappa-Patara, Pargana-Haveli, Tehsil Chowri-Chowra, district Gorakhpur.

whereby the Transferor Company shall lease out the abovementioned land parcels including the existing fittings and equipment thereat to the Transferee Company for a period of 10 (ten) years at nominal consideration of Rs. 1000 (Rupees one thousand) per annum for each parcel of land. The Transferee Company undertakes to maintain and preserve the aforesaid land parcels in the same condition as received by the Transferee Company from the Transferor Company, subject to reasonable wear and tear in the course of business. The Transferee Company shall hand over the same to the Transferor Company at the end of the 10 (ten) year period free of any Encumbrance created by the Transferee Company. It is clarified that the Transferee Company shall not be required to remove any Encumbrance existing on the Completion Date or not created by the Transferee Company.

The consummation of all the activities specified in this Clause 11.3 shall together constitute "**Completion**".

- 11.4 With effect from the Completion Date, the Transferee Company shall pay, perform and discharge, when due, or cause to be paid, performed and discharged when due, all the Divestment Liabilities in relation to the period after the Completion Date.

12. POST COMPLETION ADJUSTMENT:

- 12.1 Within 10 (ten) days after the Completion Date, the Transferor Company shall present to the Transferee Company, a statement ("**Preliminary Completion Statement**"), with reasonably detailed supporting information, setting forth the actual amounts of the items set out in Clause 10.3 as on the Completion Date. The Transferee Company shall, in consultation with its advisors, conduct an audit of the Preliminary Completion Statement and within 30 (thirty) Business Days of the receipt of the Preliminary Completion Statement the Transferee Company shall communicate to the Transferor Company whether it agrees or does not agree with the Preliminary Completion Statement. In the event the Transferee Company (a) agrees with the Preliminary Completion Statement provided by the Transferor Company, it will so communicate to the Transferor Company within the period referred to above; (b) does not agree with the amounts mentioned in the Preliminary Completion Statement, the Transferee Company and the Transferor Company shall consult with each other to determine the actual amounts as on the Completion Date of the items set out in Clause 10.3 of this Scheme within 10 (ten) days or such other date as may be agreed between the Transferor Company and the Transferee Company of the Transferee Company communicating to the Transferor Company that it does not agree with the amounts mentioned in the Preliminary Completion Statement. The Transferor Company and the Transferee Company will record the actual amounts, as on the Completion Date, of the items set out in Clause 10.3 of the Scheme as determined under this Clause in the format at **Schedule 7 (Completion Statement)**, which shall be the Final Completion Statement and the date of such recording shall be the Final Determination Date.
- 12.2 In the event, the Transferor Company and the Transferee Company are unable to agree on the amounts as on the Completion Date of the items set out in Clause 10.3 of this Scheme within the specified period, the Transferee Company and the Transferor Company shall jointly engage the Independent Auditor within 5 (five) days, in compliance with the terms of reference for the Independent Auditor attached as **Schedule 8 (Terms of Reference of the Independent Auditor)**, to conduct an audit of the Preliminary Completion Statement and determine the actual amounts as on the Completion Date of the items set out in Clause 10.3 of this Scheme within 20 (twenty) days from the date of appointment of the Independent Auditor or such other date as may be agreed between the Transferor Company and the Transferee Company. Such final determination, in the format at **Schedule 7 (Completion Statement)**, shall be the Final Completion Statement. The date on which the Final Completion Statement is presented by the Independent Auditor shall be referred to as the "**Final Determination Date**". During such review by the Independent Auditor, the Transferor Company and the Transferee Company shall each make available to the Independent Auditor access as required to, such individuals and such information, books and records as may be requested by the Independent Auditor to make its final determination.
- 12.3 Absent fraud, misconduct or manifest error, the Final Completion Statement determined by the Independent Auditor shall be conclusive and binding upon the Transferor Company and the Transferee Company.
- 12.4 The fees and disbursements of the Independent Auditor shall be borne by the Transferor Company and the Transferee Company in equal proportions.
- 12.5 The Independent Auditor shall act as an expert and not as an arbitrator.

- 12.6 If the Final Purchase Consideration calculated in accordance with the Final Completion Statement, exceeds the Completion Date Payment (such difference, the "**Completion Underpayment**") by an amount equal to at least Rs. 10,00,000 (Rupees Ten Lakhs), the Transferee Company shall pay to the Transferor Company within 5 (five) Business Days of the Final Determination Date, an amount equal to the Completion Underpayment by wire transfer of immediately available funds to the designated bank account of the Transferor Company.
- 12.7 If the Final Purchase Consideration calculated in accordance with the Final Completion Statement, is less than the Completion Date Payment (such difference, the "**Completion Overpayment**") by an amount equal to at least Rs. 10,00,000 (Rupees Ten Lakhs), the Transferor Company shall pay to the Transferee Company within 5 (five) Business Days of the Final Determination Date an amount equal to the Completion Overpayment by wire transfer of immediately available funds to a bank account designated in writing by the Transferee Company (such designation to be made at least 3 (three) Business Days prior to the day on which such payment is due).
- 12.8 For the avoidance of doubt, if the Completion Underpayment or the Completion Overpayment described in sub-clauses 12.6 or 12.7 above is less than Rs. 10,00,000 (Rupees Ten Lakhs), the Completion Date Payment shall not be adjusted and no payments shall be due under sub-clauses 12.6 and 12.7.
- 12.9 To the extent that any of the Transferor Company and the Transferee Company or any of their respective Affiliates have any obligation under this Scheme or under any other agreement to indemnify or to make any other payment (other than the Purchase Consideration), no amount with respect to a matter to which such obligation or payment relates shall be included in the calculation of the Proposed Completion Statement, the Preliminary Completion Statement or the Final Completion Statement. No amount with respect to a matter shall be included more than once in the calculation of the Proposed Completion Statement, the Preliminary Completion Statement or the Final Completion Statement.
- 13. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY:**
- 13.1 The Transferor Company shall account for the transfer and vesting of the Divestment Business by derecognising the carrying values of the Divestment Assets and Divestment Liabilities which cease to be the assets and liabilities of the Transferor Company as of the Appointed Date in accordance with applicable accounting standards.
- 13.2 The difference between the Final Purchase Consideration and the derecognised values referred to in Clause 13.1 above would be dealt with as per applicable accounting standards.
- 14. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY:**
- 14.1 The Transferee Company shall account for the transfer and vesting of the Divestment Business as of the Appointed Date by recording the Divestment Assets and Divestment Liabilities taken over under the Scheme at their fair values in accordance with applicable accounting standards.
- 14.2 The difference, if any, between the Final Purchase Consideration paid and the fair value of the net assets (fair value of Divestment Assets less fair value of Divestment Liabilities) will be adjusted in the goodwill / capital reserve account, as the case may be, in accordance with the applicable accounting standards.
- 15. SAVING OF CONCLUDED TRANSACTIONS:**

Nothing in the Scheme shall affect any transaction or proceeding already concluded by the Transferor Company in respect of the Divestment Business, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and

executed by the Transferor Company in regard to the Divestment Business as if it is done and executed by the Transferee Company itself.

PART – III

GENERAL TERMS AND CONDITIONS:

16. AMENDMENT OF MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY

Clause III (A) (1) (main objects) of the memorandum of association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

"To carry on in India and abroad the business of manufacturing, buying, storing, packing, re-packaging, marketing, distributing, transporting, converting, altering, trading in, and improving fertilizers of all forms including chemical, organic and inorganic fertilisers, and selling the same to wholesalers and retailers in India or abroad and rendering all forms of assistance with respect to fertilizers manufactured and sold in the field of agriculture"

It is clarified that for the purposes of this Clause 16, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment in the objects of the Transferee Company, and shall be deemed to include consent under any other provisions of the Act that may be applicable and no further resolution under any provision of the Act including Section 13 would be separately required.

17. OTHER BUSINESS:

17.1 Upon the Scheme coming into effect and with effect from the Effective Date, the Other Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.

17.2 All legal, taxation or other proceedings (whether civil or criminal including before any Governmental Authority) by or against the Transferor Company under any Applicable Laws whether pending on the Effective Date or which may be instituted at any time, and in each case relating to the liability, obligation or duties of the Transferor Company in respect of the Other Business shall be continued and enforced, after the Effective Date, by or against the Transferor Company only.

18. APPLICATION TO HIGH COURT:

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications/ petitions to the High Court for sanctioning this Scheme under Sections 391 to 394 of the Act and other applicable provisions of the Act and for such other orders as the High Court may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

19. MODIFICATION OR AMENDMENTS TO THE SCHEME:

19.1 Subject to Clause 19.4, the Transferor Company and the Transferee Company by their respective Boards of Directors or such other Person or Persons, as the respective Boards of Directors, may authorize, may make and/or consent to (i) any modifications / amendments to the Scheme (including but not limited to the terms and conditions thereof); or (ii) to any conditions or limitations that the High Court or any other Governmental Authority may deem fit to direct or impose; or (iii) modification/ amendment which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or creditors of any of the Transferor Company or the Transferee Company shall be necessary for giving effect to the provisions of this Clause.

- 19.2 The Transferor Company and the Transferee Company, by their respective Boards of Directors or such other Person or Persons, as the respective Boards of Directors may authorize including any committee or subcommittee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any authorities or otherwise howsoever arising out of, or under, or by virtue of the Scheme and/or any matter concerned or connected therewith, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Divestment Business".
- 19.3 For the purpose of giving effect to this Scheme or to any modifications or amendments or additions thereto, the Representatives of the Transferor Company and the Transferee Company may jointly give and are hereby jointly authorised to determine and give all such directions as are necessary including 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.
- 19.4 Notwithstanding anything stated in Clauses 19.1, 19.2, and 19.3 hereinabove, no amendments or changes to the Scheme shall be carried out or be permissible unless and until the same are approved by the High Court before which the Transferor Company and the Transferee Company have filed the petition for sanctioning the Scheme.

20. CONDITIONALITY OF THE SCHEME:

- 20.1 The transfer of the Divestment Business to the Transferee Company shall require the following approvals, sanctions and consents (each a "**Regulatory Approval**"):
- 20.1.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of each of the Transferor Company and the Transferee Company, as may be required under Sections 391 and other relevant provisions of the Act;
- 20.1.2 The Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, to the Transferor Company including comments/ approval after sanction of the Scheme by the High Court, as required under regulation 37 of the Listing Regulations read with the SEBI Circular and regulation 11 and 94 of the Listing Regulations;
- 20.1.3 The Scheme being sanctioned by the High Court in terms of Sections 391 to 394 and/or all other relevant provisions of the Act;
- 20.1.4 The occurrence of the first of any of the following, if applicable: pursuant to the provisions of the Competition Act, 2002 of India and the rules and regulations thereunder including the Competition Commission of India (Procedure in Regard to the Transaction of Business Relating to Combinations) Regulations, 2011 ("**Combination Regulations**"), the CCI (or any appellate authority in India having appropriate jurisdiction) having either (i) granted approval to the Scheme in form and substance reasonably acceptable to the Transferor Company and the Transferee Company, or (ii) been deemed to have granted approval to the Scheme through the expiration of time periods available for their investigation and any period of limitation for filing an appeal therefrom having elapsed; and
- 20.1.5 The transaction contemplated under this Scheme being approved by the competition authorities of Ukraine, if applicable.

21. OPERATIONALIZATION OF THE SCHEME:

This Scheme shall become effective with effect from the Appointed Date.

22. EFFECT OF NON-RECEIPT OF SANCTIONS:

22.1 In the event any of the conditions stipulated in Clause 20 (*Conditionality of the Scheme*) are not satisfied prior to the Long Stop Date or within such further period as may be mutually agreed upon between the Transferor Company and the Transferee Company through their respective Boards of Directors (which Boards of Directors are hereby empowered and authorized to agree to from time to time without any limitation), this Scheme shall stand revoked, cancelled. In such an event, each party shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme.

22.2 The Boards of Directors of the Transferor Company and the Transferee Company, shall be entitled to withdraw this Scheme prior to the Effective Date. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, neither the Transferor Company, nor the Transferee Company, shall be entitled to withdraw the Scheme unilaterally without the prior written consent of the other.

23. SEVERABILITY:

23.1 If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and/ or the Transferee Company, then in such case the Transferor Company and/ or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

23.2 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

23.3 The non-receipt of any sanctions or approvals for a particular asset or liability forming part of any of the Divestment Business getting transferred pursuant to this Scheme, shall not affect the effectiveness of the other parts of the Scheme.

24. COST, CHARGES AND EXPENSES:

24.1 The Transferor Company and the Transferee Company shall bear their respective taxes in respect of the transfer of Divestment Business in accordance with this Scheme and the transactions hereby contemplated. The Transferor Company and the Transferee Company shall bear their own respective legal, accounting, professional and advisory fees, commissions, and other costs and expenses incurred by it in connection with this Scheme and the transactions thereby contemplated.

24.2 The Transferee Company shall be liable and responsible for the payment of all stamp duty and registration charges with respect to the transfer of the Divestment Business including any Divestment Assets.

25. NO CAUSE OF ACTION

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.



SCHEDULE 1

ASSUMED LITIGATION

LIST OF LITIGATIONS - BABRALA

Sr. No.	Under / Act	Parties	Case Type	Court / Forum	Case Filed On	Case Description	Next Hearing Date	Stage	Claim	Claim Amount	Status	Claim Amount	Litigation By / Against
1	Contract Labour (Regulation and Abolition) Act, 1970	Ram Singh Vs (1) Chief Manager (Pradhan Prabandhak) M/s Tata Chemicals Limited, Babrala District Badaun (2) M/s Pragati Electric Company Narora, Dist-Bulandshahr Site TCL, Babrala Badaun	Employment Dispute No. 01/2011	Labour court Bareilly	10/24/2009	Matter of dispute is "Whether the termination of service of Ram Singh from 30/3/09 is reasonable and legal, and if not what benefit can be availed by petitioner".	18-07-2016	Cross examination is in progress.	NA	No claim amount in Labour Matter.	Pending	0	Against Company
2	Contract Labour (Regulation and Abolition) Act, 1970	Veeral Vs (1) General Manager (Maha Prabandhak), M/s Tata Chemicals Limited, Indira Dham, Babrala (2) Manager, M/s ANS Construction, Indira Dham Babrala Badaun, through Tata Chemicals Limited Babrala Badaun	Employment Dispute No. 27/2012	Labour Court Rampur	1/30/2013	Matter of dispute is "Whether the removal of worker veeral from the post of "Mali" w-e-f 27/02/2011 by General Manager - Tata Chemicals Ltd and ANS constructions is valid and legal, and If not, worker is entitled for what benefit among others reliefs"?	30-06-2016	Labour Court is vacant. New date will be informed separately once new presiding officer joins the court.	NA		Pending	0	Against Company
3	Writ Petition under Article 226	U. P. Pollution Control Board Vs Tata Chemicals Ltd & another	Writ Petition No. 4310/2007	Allahabad High Court	8/22/2007	Writ petition has been filed by the Uttar Pradesh Pollution Control Board (UPPCB) for setting aside the	30/06/2016	There is no order of listing.	Specific	Nine Lakhs Eighty Two Thousand Four	Pending	982410.48	Against Company

Sr. No.	Under Act	Parties	Case Type	Court / Forum	Case Filed On Date	Facts	Next hearing date	Place	Claim	Claim Remarks	Status	Claim Amount	Litigation Against Company
						Judgment & Order passed in the favour of the Company by the Cess Appellate Committee, Lucknow in an appeal filed by the Company challenging therein the water cess assessment order served upon the Company under Water Prevention and Control of Pollution, Cess Act, 1977 and to direct the Company to deposit the impugned assessed amount of water cess.				Hundred Ten only			
4	Payment of Gratuity Act	Shambhu Rai S/o Shraday Rai Vs (1) Employer (Sevayogak)/General Manager (Maha Prabhandak), TCL Babrala Dist Sambhal (U.P.) (2) M/s Singh & Company, Amar Nagar, 777, Rae Bareilly, U.P.	Gratuity Dispute No. 21/P.G.A/2013	Controlling Authority, Moradabad	5/30/2013	The contract of bagging Contractor (M/s Singh & Comapny) who was engaged with the TCL since long was not renewed after expiry of time. After non renewal of the contract the employees of the contractor approached his employer (contrcator) claiming the	02.07.2016	cross examination of the applicants are in progress.	Specific	(Thirty Five Lakhs)	Pending	3500000	Against Company

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Sr. No.	Code of Act	Parties	Case Type	Court / Forum	Case Filed On Date	Case Description	Next Hearing Date	Stage	Claim	Claim Remark	Status	Claim Amount	Litigation By / Against
						gratuity but the Contractor refused to pay. Thereafter all the concerned persona have filed the applications claiming gratuity before the appropriated authority in which TCL is also made as a party.							
5	Payment of Wages Act, 1936	Om Prakash Vs (1) Employer (Sevayogak)/General Manager(Maha Prabhndak) TCL, Babrala (sambhal) (2) Employer (Sevayogak)/Contractor (Thekadar) Gonard Infratech Ltd Branch office H-116 Sector 63 Noida (U.P) 201301	Payment of Wages Act No. 41/2013	Concerned Officer/Deputy Labour Commissioner	8/12/2013	Joint application (47 applicants) has been filed by the applicants under the Payment of Wages alleging non-payment of wages by the contractor. It is also alleged that applicants had worked under the contractor in civil construction for the construction of new township.	18/07/2016	Authority has directed the applicant to amend the application, and to affix the photograph & personal details of all the applicants on whose behalf application under PWA has been filed.	Specific	Rupes Eight Lakh Twenty Two Thousand Four Hundred Thirty Four only (ruppes 8,22,434/-)	Pending	822434	Against Company
6	Code of Civil Procedure, 1908	Amit Kr Choudhary Vs Tata Chemicals Ltd	Civil Suit No. 260/2014	Civil Judge (Sr Division)	4/22/2014	Civil Suit has been filed by the Plaintiff (contractor) for recovery of his dues. Contract of the Plaintiff	25/07/2016	Written Statement under preparation.	Specific	Rupees Four Lakhs Twenty Nine Thousand	Pending	429022	Against Company

Sr. No.	Under Act	Parties	Case Type	Court/Forum	Date Filed	Facts	Next Hearing date	Stage	Claim	Claim Remark	Status	Claim Amount	Limitation
						(contractor) was terminated under termination clause for breaching the terms and conditions of the agreement executed between the plaintiff (contractor) & defendant (Tata Chemicals Ltd).				Twenty Two only (Rs 4,29,022/-)			
7	Payment of Wages Act, 1936	Jeetpal Vs General Manager (Maha Prabhandak) TCL, Babrala (Dist - sambhal) (2) Gonard Infratech Ltd Branch office H-119 Sector 63 Noida (U.P) 201301	Payment of Wages Act No. 83/2014	Deputy Labour Commissioner	9/4/2014	Application has been filed by one alleged Sub-contractor making allegations about non-payment of wages to its workers employed by the sub-contractor.	18/07/2016	Authority has directed the applicant to amend the application, and to affix the photograph s & personal details of all the applicants on whose behalf application under PWA has been filed.	Specific	Ruppes Twelve Lakhs Fifty Thousand Only (Rs 12,50,000/-)	Pending	1250000	Against Company
8	Payment of Gratuity Act	Chunni Singh Vs M/s Employer (Sevayogak) General Manager (Maha Prabandhak) TCL,	Application No. 30/2014	Controlling Authority	12/1/2014	Application has been filed by the Contractor ex-employee claiming gratuity from TCL.	2/7/2016	TCL has filed an application for summoning of the	Specific	Forty Seven Thousand	Pending	47000	Against Company

Sr.	Under Act	Parties	Case Type	Court / Forum	Case Filed On/Date	Facts	Next Hearing date	Stage	Claim	Claim Remark	Status	Claim Amount	Litigation By / Against Company
		Babrara						conciliation file decided by conciliation officer in which contractor was made the party and the matter was settled between the applicant and contractor.					
9	U P Industrial Dispute Act, 1947	Damodar Sharma Vs (1) M/s Vice President TCL Babrara Dist Sambhal UP (2) M/s Pragati Electric Company, TCL Babrara Dist Sambhal, Permanent Address - M/s Pragati Electric Co, Narora (Bulandshahar) UP	Employment Dispute No./2016	Labour Court Rampur	26/05/2016	Applicant an employee of an ex-electrical contractor has alleged illegal retrenchment from the post of electrician.	30/06/2016	Matter has been referred to labour court, rampur. labour court is vacant.	NA		Pending	0	Against Company
10	U P Industrial Dispute Act, 1947	Udayvir Vs (1) M/s Vice President TCL Babrara Dist Sambhal UP (2) M/s S K Enterprises TCL Babrara Dist Sambhal Permanent address Hari Baba Marg Lekhpai Colony	Employment Dispute No./2016	Labour Court Rampur	26-03-2016	Applicant an ex employee of courier and housekeeping contractor has alleged his illegal retrenchment from his services by his employer.	30/06/2016	Matter has been referred to labour court, rampur. labour court is vacant.	NA		Pending	0	Against Company

Sl. No.	Under Act	Parties	Case Type	Court / Forum	Case Filed On Date	Facts	Date Hearing Date	Stage	Claim	Claim Remark	Status	Claim Amount	Endowment
		Babrula Sambhal UP											
11	Workmen compensation Act	Smt Puspha Rajput Vs (1) Tata Chemicals Ltd through its Manager Babrula Dist Sambhal (2) M/s Anoop Refrigeration, D.S. 185-186, Sector -D, LDA Colony Lucknow - 12	Workman Compensation No. 91/2015	Deputy Labour Commissioner	5/1/2015	Application under employees compensation act has been filed by the legal heirs of contractor employee who has died due to cardiac arrest within the plant premises.	5/7/2016	Listed for filing of written statement by TCL and Insurance company.	Specific	Rupees Twenty Lakhs Only (Rs 20,00,000/-)only	Pending	2000000	Against Company
12	U P Industrial Dispute Act, 1947	Nathu Singh Vs (1) General Manager (Maha Prabandhak) M/s TCL, Babrula Dist Sambhal, (2) Contractor (samvidakar) M/s Shiva Mechanicals, TCL Babrula 3/336 Pushpa Vihar Colony, Avas Vikas Chandausi (3) Managing Director, TCL 24 Homi Modi Street Fort Mumbai 400001, (4) Senior Vice President TCL Sector - 62 Noida Gautam Budh Nagar	Conciliation No. 11/2015	Assistant Labour Commissioner	9/10/2015	Contractor employee has filed an application before the Conciliation officer, Moradabad under the provisions of U.P. Industrial Disputes Act, 1947 alleging retrenchment from services.	2/7/2016	The contractor has filed its detailed reply. the matter will be listed for arguments or for the reply to be filed by applicant against the submissions made by the contractor. TCL has already submitted its reply.	NA		Pending	0	Against Company
13	Payment of Gratuity Act	Damodar Sharma Vs (1) M/s Vice President, TCL Babrula Dist Sambhal (2) M/s Pragati Electric	Gratuity Dispute No. 25/2015	Assistant Labour Commissioner	6/1/2015	Ex-employee of previous contractor has filed an application claiming therein	2/7/2016	TCL will file its objection on the ground that the	NA		Pending	83930	Against Company

Sr. No.	Under Act	Parties	Case Type	Court / Forum	Case Filed On Date	Facts	Next Hearing date	Stage	Claim	Claim Remark	Status	Claim Amount	Litigation By / Against Company
		Company, TCL Babrala Dist Sambhal, Permanent Address - M/s Pragati Electric Co, Narora (Bulandshahar)				gratuity.		applicant has filed a conciliation case before the concerned authority.					
14	Writ Petition under Article 226	Tata Chemicals Ltd Vs Collector, Badaun	Disputes with the Government No. 49829/2010	High Court of Uttar Pradesh, Allahabad	8/17/2010	TCL had filed Writ Petition challenging the Judgement & order passed by the Collector, Badaun thereby imposing penalty of Rs 28400/- along with dispossession from 2530 sq.m land in dispute.	30/06/2016	There is no further orders of listing.	Specific	Twenty Eight Thousand Four Hundred	Pending	28400	By Company
15	First Appeal	Tata Chemicals Ltd Vs collector and others	First Appeal No. 62/2007	High Court of Uttar Pradesh, Allahabad	3/21/2007	First Appeal has been filed against the Award/Decree dated 20.07.1989 passed by the District Court, Badaun whereby compensation awarded by SLAO was increased by the District Court .	12/7/2016	Final arguments will take place. a) on the issue of limitation. b) on substitution applications filed by TCL.	Specific	Amount deposited & appeal filed.(AS- 29 Remote)	Pending	829137	By Company
16	Environment Protection Act	M C Mehta Vs Union of India & Others	Environment No. 200/2014	National Green Tribunal	1/2/2016	Applicant M. C. Mehta had filed a petition before the Supreme Court of India against Union of India & Others asking for		Earlier the bench has asked the UPPCB to submit a detailed report	NA		Pending	0	Against Company

Sr. No.	Under Act	Parties	Case Type	Court / Forum	Case Filed On Date	Facts	Next Hearing Date	Stage	Claim	Claim Remark	Status	Costs	Litigation By / Against Company
						directions to save river Ganges and its tributaries from pollution by industries and municipalities in the ganga basin. The Supreme Court had passed Judgment and Order dated 22/09/1987 and has issued directions and monitoring progress of pollution control measures in ganga basin. In 2014 vide an order dated 29.10.2014 the Supreme Court transferred the matters to the National Green Tribunal (NGT) for further action and monitoring of progress. NGT has interalia directed the CPCB and UPPCB to file a list of polluting industries and other polluters and notify such polluters/industries to file their say, if any. UPPCB has filed the list of polluting industry		providing details of polluting industries and details of cities and towns from which river ganga or its tributaries are passing through with details of source of drainage to them from such towns and cities. It has been apprised that UPPCB has filed the list wherein name of TCL is appearing. Objections will be prepared and filed before the authority.					

Sr. No.	Under Act	Parties	Case Type	Court / Forum	Case Filed On Date	Notes	Next Hearing date	Stage	Claim	Claim Remarks	Status	Claim Amount	Litigation By / Against Company
						and listed TCL, Babrala also as a polluting industry. TCL being a Zero effluent industry with control equipment and monitoring system installed will file its objection.							
17	Employee Compensation Act 1923	Omwati Vs (1) General manager TCL (Maha Prabhandak) TCL Babrala Dist Sambhal (2) Contractor/Employer ANS Company TCL Babrala	Workmen compensation No. 192/2015	Assistant Labour commissioner	6/11/2015	Application has been filed by the legal heirs of employee of horticulture contractor for compensation alleging death during the course of employment.	2/7/2016	TCL will file its objections on merits.	Specific	FIVE LAKH	Pending	500000	Against Company
18	Civil Procedure Code 1908	Makhan Singh & others Vs Collector Badaun & other	Voucher Application No. 16/2008	Addl. District & Sessions Judge	1/4/2001	- Special Land Acquisition officer (SLAO) passed the acquisition award/compensation on 20/03/1987. - Being aggrieved by the award/compensation of SLAO 40 land references were referred to the Court of Additional District and Session Court, Badaun in the year 1988. - Hon'ble Court revised the	02-07-2016	Voucher application filed by the applicant to release the payment yet to be decided.	NA		Pending	0	Against Company

Sr. No.	Under A-2	Parties	Case Type	Court / Forum	Case No. / Date	Particulars	Next Hearing Date	Sum	Claim	Claim	Remarks	Claim Amount	Claim	Signature Against Company
						compensation by increasing by judgement and order dated 20/07/1989. - TCL challenged the judgment and order of lower court by filing first appeal. By mistake only 39 first appeals were filed instead of 40. - After about 11 years (but within the period of limitation) decree holder filed the execution application in the year 2001 to enforce the decree. - On the application of the decree holder order was passed on 02/12/2006 to pay the decretal amount. - TCL filed FA bearing no 62/2007 (defective appeal) challenging therein the judgement & order dated 20/07/1989. - In compliance of the order passed in execution application TCL deposited the								

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Case No.	Under Act	Parties	Case Type	Court / Forum	Date Filed / On	Facts	Next Hearing Date	Stage	Claim Amount	Status	Claim Amount	Litigation By / Against
						entire decreed amount via DD amounting to rupees 829137/- on 19 Jan, 2008. - Voucher application filed by the applicant to withdraw the money. - Objection by TOL requesting the Hon'ble court not to disburse the amount till the final disposal of the FA pending before the High Court. - Till date application is not decided.						

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SCHEDULE 2

CAPEX PLAN

Amount proposed to be spent on Capital items from Jun 2016 to June 2017

Sr No	Project title	Total Cost of the Project (Rs Crs)	Category	Period	
				Apr to May 16	June 16 to June 17
1	On-off Valve for SSF in Cooling Tower	0.1000	Maintenanace		0.10
2	VFD installation in 58 MK1 compressor	0.1500	Improvements/Upgradations		0.15
3	Revamping of Cathodic protection system in ammonia, urea & off-site plant	0.9500	Improvements/Upgradations		0.92
4	Installation of heater in dehumidifying system,	0.1500	Improvements/Upgradations		0.15
5	Replacement of Analyser shelter (Packaged AC)	0.20	Improvements/Upgradations		0.20
6	Procurement of AC compressor for CCR - 2 Nos	0.045	Maintenanace		0.05
7	Resin for WBA-D	0.2700	Maintenanace		0.27
8	Resin for PCC-C	0.0650	Maintenanace		0.07
9	Resin for MB-E	0.1050	Maintenanace		0.11
10	Water testing Equipment for Lab - Turbidity Meter - Flame Photometer	0.0120	Maintenanace		0.01
11	Volumetric analysis equipments for Lab -Auto Titrator -KF Titrator - Digital Burettes	0.1550	Maintenanace		0.16
12	Gas Flow Meter (02 Nos.) for Lab	0.016	Maintenanace		0.02
13	Hot Plate for Lab	0.005	Maintenanace		0.01
14	Flame Proof Vacuum Pump (Portable Type) for Lab	0.01	Maintenanace		0.01
15	Replacement of P-19 pump	0.10	Maintenanace		0.10
16	DCS Up gradation (Phase-II)	9.000	Maintenanace	8.360	0.05
17	Up gradation of Belt Conveyor from Urea plant to PPP	4.000	Improvements/Upgradations	3.360	0.50
18	Replacement of up-graded Ammonia Condenser (E-510)-3 nos	8.500	Improvements/Upgradations	0.000	1.50
19	Energy Meter for Effluent Treatment-3 Nos.	0.0200	Maintenanace	0.0000	0.02
20	Online display board at Factory main gate	0.1500	Maintenanace	0.0000	0.15
21	Audiometry sound proof booth	0.0160	Maintenanace	0.0000	0.02
22	397 Nos Street light up gradation to LED. (phased out in 03 years)	0.6800	Improvements/Upgradations	0.0000	0.16

No.	Particulars	Estimated Cost (Rs.)	Category	Mo. 16	Mo. 17
23	228 Nos CCR lights up gradation to LED	0.0700	Maintenanace	0.0000	0.07
24	Replacement of Effluent water header line (Between GP to Monitorig pond) - 1000 mt - 6" line	0.60	Maintenanace	0.00	0.60
25	New Wet Dedusting System in Urea Plant	1.20	Improvements/ Upgradations	0.00	1.20
26	Upgradation of 300 MR effluent line from DM Plant to ETP from MSRL to CPVC	0.25	Improvements/ Upgradations	0.00	0.25
27	Replacement of Horticulture line segment in town ship area (1250 Mtr near School & DBs)	0.90	Maintenanace	0.00	0.90
28	Replacement of Fire water line in Ammonia Plant	0.25	Maintenanace	0.00	0.25
29	DCP Extinguisher (Cartridge Type & Cap. - 6 Kg)- 200 Nos. , CO2 Extinguisher (40 Nos. (Cap.- 22.5 Kg), 25 nos. (Cap.-4.5 kg), 15 Nos. (Cap.- 2 Kg) (Total 280 Nos))	0.3000	Maintenanace	0.0000	0.30
30	Hydro jetting suit (02 Nos.)	0.0400	Maintenanace	0.0000	0.04
31	Nomex Suit (02 nos.)	0.0300	Maintenanace	0.0000	0.03
32	Aluminized fire proximity suit (03 Nos.)	0.0300	Maintenanace	0.0000	0.03
33	Rescue Dummy (01 Nos.)	0.0160	Maintenanace	0.0000	0.02
34	Portable Detector 04 (LEL - 2, Chlorine - 1, H ₂ CO - 01)	0.0300	Maintenanace	0.0000	0.03
35	Fast-Act Extinguisher (Toxic Chemical Vapour Neutralisation) - 04 Nos.	0.0160	Maintenanace	0.0000	0.02
36	Vented Chemical Storage Cabinet for Lab	0.02	Maintenanace	0	0.02
37	Air / Emission, Workplace monitoring equipment for Lab	0.025	Maintenanace	0	0.03
38	On-line monitoring system (Gaseous)	1.000	Improvements/ Upgradations	0.000	1.00
39	Cooling Tower Sulphuric Acid System up gradation	0.120	Improvements/ Upgradations	0.000	0.12
40	Replacement of higher capacity De-dusting blower for Urea Plant	0.250	Improvements/ Upgradations	0.000	0.25
41	Replacement of Television - 5 Nos for Guest House	0.0200	Maintenanace	0.000	0.02
42	Grinder for Labour Canteen	0.0030	Maintenanace	0.000	0.00

S. No.	Project Description	Total Cost of Project (Rs.)	Category	Area	
				16 to May 16	16 to June 16
43	Replacement of Cooking Range for DB	0.0060	Maintenance	0.000	0.01
44	Motor Bike - 2 Numbers for Security Use	0.0120	Maintenance	0.000	0.01
45	Cooking range and chimney for labour canteen	0.0150	Maintenance	0.000	0.02
46	Furniture for Admin use in plant	0.1500	Maintenance	0.000	0.15
47	Phase wise Replacement of Phase-4 ceiling fan 360 Nos (phased out in 03 years)	0.0900	Maintenance	0.000	0.03
48	Mechanization of C12 tonner handling system	0.20	Maintenance	0.000	0.20
49	Replacement of 44"HP Scanner	0.0800	Maintenance	0.000	0.08
50	Tube-well - 1 no	0.4800	Maintenance	0.000	0.48
51	Turn out for Railway siding (1 in 8 52 kg/M) - 2 sets	0.7000	Improvements/Upgradations	0.000	0.70
52	Xerox Multifunction Machine for school	0.0200	Maintenance	0.000	0.02
53	Dome Climber for school	0.0070	Maintenance	0.000	0.01
54	CCTV for school	0.0600	Maintenance	0.000	0.06
55	Construction of labour toilet at other side of bagging plant	0.085	Maintenance	0.000	0.09
56	Internal: Minor Capital Schemes	1.00	Improvements/Upgradations	0.00	0.80
	Total	32.77		11.72	12.51

Maintenance projects	4.61
Improvements/ upgradation projects	7.90
Total proposed to be spent	12.51



SCHEDULE 3

CURRENT ASSETS, CURRENT LIABILITIES & NON CURRENT ASSETS

Current assets

INR in million	30-Jun-16
Inventories	1,161.9
Trade receivables	8,658.6
Short-term loans and advances	117.0
Total	9,937.5

Source: Trial Balance as on 30th June 2016

Inventories

INR in million	30-Jun-16
Raw materials	46.9
Manufactured finished goods*	929.08
Stores and spare parts, packing materials	185.9
Total	1,161.9

Source: Trial Balance as on 30th June 2016

* Includes WIP Rs. 47.8 million

Trade receivables

INR in million	30-Jun-16
Subsidy	8,250.0
Other debtors*	413.5
Provision for doubtful debtors	(4.9)
Total	8,658.6

Source: Trial Balance as on 30th June 2016

* Excluding amount of Rs. 7.48 million receivable from Notore

Short term loans and advances

INR in million	30-Jun-16
Deposits with Government, public bodies and others	78.55
Advances recoverable in cash or kind	31.02
Advances to suppliers	5.64
Advances to employees	1.80
Total	117.0

Source: Trial Balance as on 30th June 2016



Current liabilities

INR in million	30-Jun-16
Trade payables	666.8
Other current liabilities	522.9
Short-term provisions	101.2
Total	1,290.9

Source: Trial Balance as on 30th June 2016

Trade payables

INR in million	30-Jun-16
Creditors for supplies/services	651.6
Other payables	15.2
Total	666.8

Source: Trial Balance as on 30th June 2016

Other current liabilities

INR in million	30-Jun-16
Market incentive provisions	22.6
Deposits from customers	158.3
Advances received from customers	162.0
Creditors for statutory dues	100.4
Creditors for capital goods	10.5
Other liabilities	69.1
Total	522.9

Source: Trial Balance as on 30th June 2016

Short term provisions

INR in million	30-Jun-16
Privilege leave	61.0
Sick leave	39.6
Long service award	0.5
	-
Total*	101.2

Source: Trial Balance as on 30th June 2016

* Excluding Rs. 22.9 million of indirect tax cases not being transferred

1. The above schedules do not include any amount on account of short term borrowings, proposed dividend and inter company balances
2. Creditors for capital goods will not be considered as part of working capital

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Non-current assets

INR in million	30-Jun-16
Tangible assets	5,401.4
Capital work-in-progress	3.4
Long-term loans and advances	9.4
Total	5,414.3

Source: Trial Balance as on 30th June 2016

Long term loans and advances

INR in million	30-Jun-16
Capital advances	
Security deposits (with Government, public bodies and others)	
Advances to employee	8.2
Advances recoverable in cash/kind (including deposits)	1.2
Total	9.4

Source: Trial Balance as on 30th June 2016

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SCHEDULE 4
DIVESTMENT LIABILITIES

Divestment liabilities

INR in million	30-Jun-16
Current liabilities	1,290.9
Non-current liabilities	44.1
Total	1,335.0
Contingent liabilities	1,915.3

Source: Trial Balance as on 30th June 2016

Contingent liabilities

INR in million	30-Jun-16
Sales tax	-
Labour & other legal	9.0
Letter of credit	1,906.3
Total	1,915.3

Source: Management information



Contingent liabilities

Letter of credit as at 30th June 2016

Sl. No	Issuing Bank	BG no./Bank Ref No	Date of issue / Date of renewal	Date of expiry	Beneficiary	Place	Currency	INR in million
1	State Bank of India, Mumbai	0999508LC0000134	01-Jul-2015	30-Jun-2016	Chief Commercial Manager, NR	New Delhi	INR	8.0
2	HDFC Bank Limited, Mumbai	560SBLC091060001	05-Jun-2015	30-Jun-2016	Reliance Industries Ltd.	Mumbai	INR	184.5
3	HDFC Bank Limited, Mumbai	560SBLC112500001	05-Jun-2015	30-Jun-2016	BP Exploration (Alpha) Limited	Mumbai	INR	84.5
4	HDFC Bank Limited, Mumbai	560SBLC091060002	05-Jun-2015	30-Jun-2016	Niko (NECO) Limited	Mumbai	INR	30.5
5	Axis Bank Limited, Mumbai	0040100003649	05-Feb-2016	11-Feb-2017	Indian Oil Corporation Limited, Institutional Area Lodhi Road, New Delhi.	New Delhi	INR	280.0
6	Axis Bank Limited, Mumbai	00040100008231	30-Dec-2015	13-Jan-17	Gas Authority of India Ltd.(GAIL), 3rd Floor, Fortune Tower, 10 Rana Pratap Marg, Lucknow - 226001..	Lucknow	INR	720.0
7	Axis Bank Limited, Mumbai	40100003827	22-Jun-2015	04-Aug-2016	Reliance Gas Transportaion Infrastructure	Mumbai	INR	66.2
8	Axis Bank Limited, Mumbai	00040100009347	01-Jun-2016	31-Jul-2016	Gujarat State Petroleum Corporation	Gandhinagar	INR	290.5
9	Axis Bank Limited, Mumbai	00040100009272	06-May-2016	30-Apr-2017	Gail Gas Limited	Noida	INR	242.0
	Total							<u>1,906.3</u>

Legal cases liability as at 30th June 2016

S. No.	Entity / Unit/ Locality / Dept.	Act	Case Name	Type	Forum	File No.	Facts	Status	Claim	Claim Remark	Status	Amount (INR)
1	Tata Chemicals - BABRALA - Legal	Payment of Gratuity Act	Shambhu Rai S/o Shraday Rai Vs Tata Chemicals	Labour	Controlling Authority, Moradabad	30-05-2013	ex contractors of bagging contractor have filed 50 applications before the Controlling Authority, Moradabad under the payment of gratuity act claiming gratuity. TCL has been arrayed as Employer in all those applications.	matter listed for applicants evidence	25 to 50 Lac		Pending	3.50
2	Tata Chemicals - BABRALA - Legal	Payment of Wages Act, 1936	Om Prakash Vs Tata Chemicals	Payment of Wages Act	Concerned Officer/Deputy Labour Commissioner	12/8/2013	case has been filed, alleging therein, for non-payment of wages by the contractor engaged for construction of new township within TCL premises.	Preliminary Objections filed by TCL. Hearing on objections will take place	5 to 10 Lac		Pending	1.00
3	Tata Chemicals - BABRALA - Legal	First Appeal	Tata Chemicals Vs collector and others	First Appeal	High Court of Uttar Pradesh, Allahabad	21-03-2007	This is the lone remaining appeal, which has been filed against the Award & Decree dated 20.07.1989, passed by ADJ, Badaun towards	listing not taking place.	Unspecified	Amount deposited & appeal filed.(AS -29 Remote)	Pending	

S. No.	Entity - Full/Partial Dept.	Under Act	Particulars	Case Type	Court/Forum	Case No.	Fact	Remarks	Claim	Claim Remark	Status	Claim Amount (Million)
							compensation for land acquisition for the plant.					
4	Tata Chemicals - BABRALA - Legal	Writ Petition under Article 226	Tata Chemicals Vs Collector, Badaun	Disputes with the Government	High Court of Uttar Pradesh, Allahabad	17-08-2010	TCL had filed writ petition challenging order passed by Collector Badaun thereby imposing penalty of Rs 28400/- along with dispossession from the disputed land.	matter has been stayed by High Court. No listing for final arguments.	Less than 1 Lac	Appeal filed by TCL has been admitted. Outflow of money is possible in case of adverse order in addition to loss of land. (As-29 Possible)	Pending	0.03
5	Tata Chemicals - BABRALA - Legal	Payment of Wages Act, 1936	Jeetpal Singh Yadav vs Tata Chemicals Limited	Labour	Concerned Officer/Dep uty Labour Commissioner	9/4/2014	Case has been filed, alleging therein, for non- payment of wages by the contractor engaged for construction of new township within TCL premises.	V/P has been filed by the counsel of the Company.	10 to 25 Lac		Pending	1.30

SN	Entity/ Unit/Location/Dept	Under Act	Parties	Case Type	Court/ Forum	Case File Dt	Details	Stage	Claim Rs	Claim Rs	Status	Amount (IN Million)
6	Tata Chemicals - BABRALA - Legal	Code of Civil Procedur e	Amit Kr Choudhary - BABRALA - Legal	Civil Suit	Civil Judge, (Sr Division) Bulandshah ar	4/22/2014	Civil Suit has been filed by the plaintiff for recovery of dues. In fact contract of the plaintiff was terminated for breach of the terms and conditions executed between defendant and plaintiff.	Objections under preparation.	1 to 5 Lac		Pending	0.50
7	Tata Chemicals - BABRALA - Legal	Payment of Gratuity Act	Chunni vs Tata Chemicals	Payment of Gratuity Act	Controlling Authority, Moradabad		ex employee of mechanical contractor has filed an application before the Controlling Authority, Moradabad under the payment of gratuity act claiming gratuity.	Objections to be filed by TCL	47000		Pending	0.05
9	Tata Chemicals - BABRALA - Legal		Omwati w/o Late Ramsahay v/s TCL & another	Employee s Compensati on Act	Employees Compensati on Commissio ner, Moradabad		Application has been filed by legal heirs of employee of contractor for compensation alleging death during the course of employment	pending			Pending	0.50

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Sl. No.	Entity - Unit/Dept.	Under Act	Particulars	Case Type	Controlling Authority	Case No.	Facts	Stage	Claim	Claim Amount	Status	Claim Amount (INR Million)
10	Tata Chemicals - BABRALA - Legal	Payment of Gratuity Act	Damodar Sharma vs Tata Chemicals & another	Payment of Gratuity Act	Controlling Authority, Moradabad		Ex-employee of erstwhile electrical contractor has filed an application before the Controlling Authority, Moradabad under the payment of gratuity act claiming gratuity.	Objections to be filed by TCL	83930		Pending	0.08
11	Tata Chemicals - BABRALA - Legal		Smt Pushpa Rajput v/s TCL & another	Employee's Compensation Act	Employees Compensation Commissioner, Moradabad		Application has been filed by legal heirs of employee of contractor for compensation . alleging that their son has died due to accident in the course of employment.	pending			Pending	<u>2.00</u>
Total												<u>9.0</u>

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Current liabilities

INR in million	30-Jun-16
Trade payables	666.8
Other current liabilities	522.9
Short-term provisions	101.2
Total	1,290.9

Source: Trial Balance as on 30th June 2016

Trade payables

INR in million	30-Jun-16
Creditors for supplies/services	651.6
Other payables	15.2
Total	666.8

Source: Trial Balance as on 30th June 2016

Other current liabilities

INR in million	30-Jun-16
Market incentive provisions	22.6
Deposits from customers	158.3
Advances received from customers	162.0
Creditors for statutory dues	100.4
Creditors for capital goods	10.5
Other liabilities	69.1
Total	522.9

Source: Trial Balance as on 30th June 2016

Short term provisions

INR in million	30-Jun-16
Privilege leave	61.0
Sick leave	39.6
Long service award	0.5
	-
Total	101.2

Source: Trial Balance as on 30th June 2016

1. The above schedules do not include any amount on account of short term borrowings, proposed dividend and inter company balances
2. Creditors for capital goods will not be considered as part of working capital

Non-current liabilities

INR million	30-JUN-16
Long-term provisions	44.1
Total	44.1

Source: Trial Balance as on 30th June 2016

Long term provisions

INR million	30-JUN-16
Long Service Award	7.6
Gratuity	10.9
Family Benefit Scheme	25.6
Total	44.1

Source: Trial Balance as on 30th June 2016

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SCHEDULE 5
DIVESTMENT REAL ESTATE

A. Leasehold Land

Plot No.A admeasuring 1519.79 acres at Industrial Area Babrala, District Badaun, Tehsil Gunoor, Uttar Pradesh.

B. Freehold Land

Sr.	Description of Property	Area	Vendor	Details of Instrument	Registered	Stamped
1.	Land situate at Khasra Plot No.382/1 (part), Village Mankapur, Tehsil and District Badaun	13,558.5 sq. mts.	Shri Keshav Krishna Goyal	Sale Deed dated April 4, 1996	Registered	Stamped for Rs.1,57,325/-
2.	Land situate at Khasra No.396, Village Lalpur Hameer, Pargana and Tehsil Bilari, District Moradabad	4,360 sq. mts.	Shri Abdul Waris	Sale Deed dated July 30, 1997	Registered	Stamped for Rs.73,500/-
3.	Land situate at Khasra No.662, Village Ujrai, Tehsil, Etmadpur District, Agra	5 bighas 15 biswas and 11 biswansi.	Shri Jhajhan Lal, Srinivas and Suresh	Sale Deed dated August 8, 1997	Registered	Stamped for Rs.1,97,051/-
4.	Land situate at Khasra Nos.496, 485M and 505, Village Bhedpur, Paragana Jamaur, Tehsil Sadar, District Shahjahanpur	1.367 hectares	Smt. Rama Devi Gupta	Sale Deed dated February 20, 1998	Registered	Stamped for Rs. 2,00,450/-

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C. Leasehold Premises

S. No.	Description of Premises	Area	Indor	Details of Instrument	Registered	Stamped
1.	Premises B1/1,2 nd Floor, Deep Lok, Mahanagar Extension, Lucknow (Uttar Pradesh)	1,250 sq. ft.	Mr. Diepak Marwah and Mr. Alok Marwah	Lease deed dated October 9, 2013	Not registered	Stamped for Rs. 100/-
2.	Premises at ground floor, Plot No. 373A, Nageshwar Colony, Boring Road, Patna - 1	1,800 sq. ft.	Mrs. Renu Thakur	Lease deed (December 2014)	Not registered	Stamped for Rs. 1000/-
3.	Premises at Plot No. 302 at Agarwal Flats, Agarwal Dharan Kanta, Bypass Road, Bisalpur Chauraha, Barielly	2,300 sq. ft.	Pankaj Kumar Agarwal HUF	Lease dated July 1, 2015	Not registered	Stamped for Rs. 100/-
4.	Premises at SCO 121-122-123, Sector 34-A, Chandigarh	650 sq. ft.	DLG Builders Private Limited	March 26, 2003 as latest extended vide letter dated November 1, 2013	Not registered	Stamped for Rs. 10/-
5.	Premises at Padam Business Park Plaza Office, 312, 3rd Floor, Plot No. Ins 1, Sector 12A, Sikandara Avas Vikas Yojna, Agra] – 282004	850 sq. ft.	Mr. Uday Kumar Agarwal	July 20, 2011 as latest extended vide letter dated May 28, 2015	Not registered	Stamped for Rs. 10/-

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SCHEDULE 6

EXCLUDED ASSETS

1. Other Business (including for the avoidance of doubt, the business of the Transferor Company and its Affiliates conducted by and through the Haldia Plant and the Trading Business).
2. **Aligarh (Freehold):**
 - (i) 1/9th share of agricultural land admeasuring 2.902 hectares (equivalent to 0.3224 hectares), situate at Khasra No.251, Village Bhartari, Pergana and Tehsil Koil, District Aligarh, by and under registered Sale Deed dated November 26, 1997; and
 - (ii) Agricultural land situate at Khasra No.18 (admeasuring 1.565 hectares) and Khasra No.19 (admeasuring 0.288 hectares), collectively admeasuring 1.853 hectares), Village Bhankri Khas, Pergana, Tehsil Koil, District Aligarh, by and under registered Sale Deed dated November 26, 1997
3. **Marble Arch (Freehold):** Residential premises located in the building known as 'Marble Arch', situate at 9, Prithviraj Road, New Delhi – 110 011, including flat number C-2, C-4, and C-6 by and under 3 (three) simultaneously executed Agreements for Sale dated February 26, 1986 executed between various entities of the Tata Group (which was subsequently transferred to the Transferor Company) and Ramesh Apartments (Delhi) Private Limited;
4. **NOIDA (Freehold)**
 - (i) Office space admeasuring 962.62 sq. mts. in the building known as 'The Corenthum' situate at Sector 62, Noida, by and under Transfer Deed dated October 19, 2012 executed between DMG Finance & Investments Private Limited and the Transferor Company; and
 - (ii) Office space admeasuring 962.62 sq. mts. In the building known as 'The Corenthum' situate at Sector 62, Noida, by and under Transfer Deed dated October 19, 2012 executed between Emtech Solutions Private Limited and the Transferor Company.
5. All cash and cash equivalents, bank accounts and deposits, marketable securities, and Investments of any type;
6. Any receivable (including any amount or enhancement of the amount of subsidy, grant or reimbursement) in relation to the period before Completion Date, where the Transferor Company's entitlement of such receivable was or is contested, disputed or not accepted by the Person authorised or entitled to authorise or approve the grant or release of such receivable to the Transferor Company and where the Transferor Company had not provided for such receivable in its books of account and consequently not included in the Divestment Business;



7. Any receivable (including any amount or enhancement of the amount of subsidy, grant or reimbursement) in relation to the period before Completion Date, which is in excess of amount actually claimed by the Transferor Company or in excess of an amount provided for in the books of account of the Transferor Company;
8. All causes of action, lawsuits (other than Assumed Litigations), judgments, claims and demands of any nature and all other claims or rights against Third Parties (other than rights under the Divestment Contracts for products sold or services performed after the Completion Date), and all proceeds of any of the foregoing;
9. All properties and assets of every kind, nature and description, whether real, personal or mixed, whether tangible or intangible, and wherever situated, used by the Transferor Company or any of its Affiliates in connection with, or otherwise related or historically allocable to, any Other Business;
10. All corporate and constitution documents, taxpayer and other identification numbers, seals, minute books, stock transfer books and other documents relating to the organization, maintenance and existence of the Transferor Company or any of its Affiliates;
11. All refunds or claims for refunds due from central, state, local and foreign taxing authorities with respect to Taxes paid (including where paid under protest) or to be paid by the Transferor Company or any of its Affiliates in relation the Divestment Assets;
12. Any inventories other than Transferring Inventory and labels and pre-printed packaging, in each case relating to products or otherwise, and owned by the Transferor Company or any of its Affiliates;
13. All insurance policies;
14. All rights of indemnification, insurance proceeds, claims against insurers, and similar rights related to any matters occurring on or before the Completion Date;
15. All ledgers (except those dealing exclusively with the Divestment Business), journals (except those dealing exclusively with the Divestment Business), tax returns (other than returns for indirect taxes which are specifically related to the Divestment Business);
16. All rights to intellectual property belonging to the Transferor Company or its Affiliates including the Tata Name;
17. All rights of Transferor Company and its Affiliates under the Implementation Agreement, the other transaction documents or the confidentiality agreement dated July 14, 2015 by and between the Transferor Company and the Transferee Company;
18. All real property owned or leased by the Transferor Company or any of its Affiliates excluding the Divestment Real Estate;



19. All other properties, assets (real, personal or moveable, tangible or intangible), contracts and rights that are not expressly included in the Divestment Assets; and
20. The hedge instruments to cover the forex risk on the acceptances in the form of supplier credits in relation to the Divestment Business.

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SCHEDULE 7
COMPLETION STATEMENT

Table A. Working capital adjustment

Account	Amount	Balance
Current Assets		
Inventory		
Receivables		
Short-term loans and advances (including other current assets)		
Non-current assets		
Long-term loans and advances (1)		
	Sub total	-
Current Liabilities (2)		
Trade payables		
Other current liabilities (3)		
Short-term provisions		
Non-current liabilities		
Long-term provisions		
Other non-current liabilities		
	Sub total	-
Net working capital		-
Less: Targeted Working Capital		-
Working Capital Adjustment		-

Notes:

Cash and bank balances and short term borrowings are not to form part of the above computation.

- (1) Long-term loans and advances will be part of Non-Current Assets and will be included in the Completion Statement as the only item within Non-Current Assets.

- (2) *Current Liabilities means, as of any specified date, all such liabilities relating or assigned to the Divestment Business, which are customarily called current liabilities under the Indian GAAP. Such statements as of June 30, 2016 are set out in Schedule 3.*
- (3) *Other current liabilities shall exclude creditors for capital goods, as this is adjusted for under Table B.*
- (4) *Current liabilities shall exclude the provisions towards tax litigation.*

Table B. Capex adjustment

Amount in INR	Date:	DDMMYYYY
Amount as per Capex Plan (1)		Babrala
+/- Agreed changes to the CAPEX Plan, approved by the Transferee Company		
Adjusted Capex Plan (2)		
Less: Capital work-in-progress		
Plus: Creditors for capital goods		
Less: Additional capital expenditure incurred by the Transferor Company with prior written consent of the Transferee Company		
Less: the cost of items on the Adjusted Capex Plan incurred and completed by the Transferor Company between Agreement Date and Completion		
Capex adjustment (3)		-

Notes:

- (1) *Capex Plan means for the purposes of the above statement, is the Capex Plan as defined in the Scheme.*
- (2) *Adjusted Capex Plan for the purposes of the above statement, is the Adjusted Capex Plan as defined in the Scheme.*
- (3) *Capex adjustment for the purposes of the above statement, the Capex Adjustment as defined in the Scheme.*



SCHEDULE 8

TERMS OF REFERENCE OF THE INDEPENDENT AUDITOR

The following terms of reference shall be binding on the Independent Auditor appointed by the Transferor Company and the Transferee Company:

The overall objective of the Independent Auditor's verification will be to conduct an audit as required to settle the disputes between the Transferor Company and the Transferee Company, and as required (i) verify the Preliminary Completion Statement and (ii) certify the capital expenditure amount provided by the Transferor Company.

The deliverable of the Independent Auditor's verification/certification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India will be the (i) Final Completion Statement duly approved by it and an audit opinion that the Working Capital specified therein is true and fair, and the (ii) capital expenditure amount claimed to be spent by the Transferor Company duly approved by it and an opinion that the capital expenditure amount is true and fair.

The terms of the Independent Auditor's appointment and the aforesaid deliverables shall include, the following:

- Ensure that the Working Capital as at the Completion Date as set forth in the Preliminary Completion Statement and the amount of capital expenditure has been accurately calculated in accordance with the definitions and related calculation schedules contained in the Scheme.
- Ensure that the amounts used in the calculation of the Working Capital and capital expenditure as at the Completion Date is in agreement with the books of account of the Transferor Company and do not contain misstatements or omissions. The Independent Auditor shall carry out the physical verification of inventory, including stores and spares, at the plants in the presence of representatives of the Transferor Company and the Transferee Company as at the Completion Date and corroborate the results of physical verification with the inventory, including stores and spares, at the plants used in calculation of Working Capital in the Preliminary Completion Statement.
- The Independent Auditor shall verify a representative sample of receivables including outstanding urea subsidy receivable, and ensure that the allowance for doubtful debt is accurately calculated, and that Completion Statement accurately represent the receivables, as per Indian accounting rules and policies. It is clarified that this we will not get external confirmation from the government.
- Ensure that the amounts used in the calculation of Working Capital and capital expenditure as at the Completion Date is computed in accordance with the relevant accounting policies of the Transferor Company and are also in compliance with the requirements of Indian GAAP, to the extent applicable.

The Independent Auditor shall prepare and deliver its opinion within 45 (forty five) days from the Completion Date. The Independent Auditor's opinion shall be addressed to the Transferor Company with a copy to the Transferee Company.