

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORDINARY ORIGINAL COMPANY JURISDICTION)

636

COMPANY PETITION NO. ---- OF 2013

CONNECTED WITH

COMPANY APPLICATION (M) No. 150 of 2013

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High Court of Delhi

MEMO OF PARTIES

IN THE MATTER OF SCHEME OF ARRANGEMENT OF:

DARCL LOGISTICS LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at M-2, Himland House, Karampura Commercial Complex, New Delhi-110015.

...Petitioner Company-1/
Resulting Company

AND

TRANSRAIL LOGISTICS LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at M-2, Himland House, Karampura Commercial Complex, New Delhi-110015.

...Petitioner Company-2/

Demerged Company

(Hereinafter individually referred to as **DARCL AND TRANSRAIL**, respectively and collectively referred to as "Petitioner Companies")

THROUGH

Kishan Asrani
Manu Beri

[MANU BERI]
ADVOCATE

E-5, MAHARANI BAGH,
New Delhi - 110 065

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IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORIGINAL JURISDICTION)

IN THE MATTER OF COMPANIES ACT, 1956.

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT UNDER SECTION
391, 394 READ WITH SECTION 78 AND 100 TO 104 OF THE
COMPANIES ACT, 1956.

OF :

COMPANY PETITION NO. 636 OF 2013
CONNECTED WITH
COMPANY APPLICATION NO (M) 150 OF 2013.

IN THE MATTER OF :

DARCL Logistics Limited,
M-2, Himland House,
Karampura Commercial Complex,
New Delhi – 110015.

..... Resulting Company.

WITH

Transrail Logistics Limited,
M-2, Himland House,
Karampura Commercial Complex,
New Delhi – 110015.

..... Demerged Company.

BEFORE HON'BLE MR. JUSTICE VIBHU BAKHRU.
DATED THIS THE 26TH DAY OF MARCH, 2014.

ORDER UNDER SECTION 394 OF THE COMPANIES ACT 1956

The above joint petition came up for hearing on 26/03/2014 for the sanction of
the Scheme of Arrangement proposed to be made between DARCL Logistics

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Limited (hereinafter referred to as Resulting Company) and Transrail Logistics Limited (hereinafter referred to as Demerged Company) and their respective Shareholders and Creditors, whereby it is proposed to demerge the Rail Undertaking of the Demerged Company into Resulting Company. The court examined the petition; the order dated 08/11/2013 & 27/11/2013 passed in CA(M) 150 Of 2013, whereby the requirement of convening and holding the meetings of the Equity Shareholders, Secured and Unsecured Creditors of the Demerged and Resulting Company and Preference Shareholders of the Demerged Company for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement annexed to the affidavits dated 29/10/2013 of Mr. Krishan Kumar Agarwal, Authorized Signatory and Director of both the Resulting and Demerged Company , were dispensed with (there being no Preference Shareholder in the Resulting Company) and the publication in the newspapers namely ' Business Standard' (English) dated 03/03/2014 & 'Jansatta' (Hindi) both dated 05/03/2014 containing the notice of hearing of petition.

The court also examined the affidavit dated 24/03/2014 by the Regional Director, Northern Region, Ministry of Corporate Affairs and approved the proposed Scheme of Arrangement.

Upon hearing Mr. Manu Beri, Advocate for the Petitioner., Mr. Atma Sah, Asstt. Registrar of Companies appearing for Regional Director in view of approval of Scheme of Arrangement without any modification by the Shareholders and Creditors of Demerged Company and Resulting Company and that there being no investigation proceeding in relation to the Petitioner Companies under section 235 to 251 of the Companies Act, 1956,

THIS COURT DOETH HEREBY SANCTION THE SCHEME OF ARRANGEMENT set forth in Schedule-I annexed hereto and doeth hereby

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declare the same to be binding on all the Shareholders & Creditors of the Demerged Company & Resulting Company and all concerned and doth approve the said Scheme of Arrangement with effect from the appointed date i.e. 01/04/2013.

AND THIS COURT DOTH FURTHER ORDER:

- 1. That in terms of the Scheme, the whole of the "Rail Undertaking", assets, property, rights and powers pertaining to the Rail Undertaking of the Demerged Company as specified in Schedule-II hereto be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to sections 391 to 394 read with Sections 78 and 100 to 104 of the Companies Act, 1956 be transferred to and vest in the Resulting Company without any further act of deed for all the estates & interest of the Demerged Company therein but subject nevertheless to all charges now affecting the same; and
- 2. That in terms of the Scheme, all the liabilities and duties pertaining to the Rail Undertaking of the Demerged Company be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 391 to 394 read with Sections 78 and 100 to 104 of the Companies Act, 1956 be transferred to and become the liabilities and duties of Resulting Company; and
- 3. That all the proceedings now pending by or against the Demerged Company be continued by or against the Resulting Company ; and

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4. So far as the share exchange ratio is concerned, the Scheme in clause 5 provides that :-

“As the entire issued, subscribed and paid-up share capital of the Demerged Company is held by the Resulting Company and its nominees, upon de-merger, Resulting Company would not be required to issue and allot any shares to the Shareholders of the Demerged Company”.

5. That the Petitioner Companies do within 30 days after the date of this order shall cause a certified copy of this order to be delivered to the Registrar of Companies for registration.
6. It is clarified that this order will not be constructed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable in accordance with any law; or permission/compliance with any other requirement which may be specifically required under any law.
7. That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary.

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SCHEDULE - I

(E-FILED)

SCHEME OF ARRANGEMENT
BETWEEN
DARCL LOGISTICS LIMITED
AND
TRANSRAIL LOGISTICS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

For DARCL Logistics Limited
Kishan Agrewal
Authorized Signatory

For Transrail Logistics Limited
Kishan Agrewal
Authorised Signatory

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**SCHEME OF ARRANGEMENT
BETWEEN
DARCL LOGISTICS LIMITED
AND
TRANSRAIL LOGISTICS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

Under Sections 391 to 394 read with section 78 and 100 to 104 and other applicable provisions of the Companies Act, 1956

Background and rationale for the Scheme of Arrangement:

DARCL Logistics Limited ('Resulting Company' or the 'Company' or 'DARCL') is a Public Limited Company incorporated under Companies Act, 1956 having its Registered office at M-2, Himland House, Karampura Commercial Complex, New Delhi- 110015. Resulting Company is primarily engaged in the business of carriers by road, rail and sea means of transportation as a Goods Transport Agency. It is one of the largest logistics companies in India.

Transrail Logistics Limited ('Demerged Company' or 'Transrail') is a Public Limited Company incorporated under the Companies Act, 1956 having its registered office at M-2, Himland House, Karampura Commercial Complex, New Delhi- 110015. Demerged Company is a wholly owned subsidiary of Resulting Company and is engaged in the business of Container Train Operations under a category IV railway license (hereinafter referred to as the 'Rail Business' or 'Rail Undertaking') and is also engaged in providing multimodal operations:

Management of both Companies (i.e., the Resulting Company and Demerged Company) believe that the Rail Business of the Demerged Company has significant potential for expansion and growth and has significant synergies alongwith the goods transport business of the Resulting Company and would complement the same together.

The Resulting Company and Demerged Company therefore proposes to re-organize their business, by way of demerger of the Rail Business of Demerged Company, into the Resulting Company.

This Scheme of Arrangement is divided into following parts:

- (i) Part A – dealing with definitions and share capital;
- (ii) Part B – dealing with demerger of Rail Undertaking of the Demerged Company into Resulting Company and reorganization of share capital of Demerged Company;
- (iii) Part C – General.



John Arora



John Arora

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PART A

1. DEFINITIONS

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

- 1.1. "Act" means the Companies Act, 1956 and any statutory modification or re-enactment thereof for the time being in force.
- 1.2. "Appointed Date" means the day on April 1, 2013 or such other date as may be approved by the High Court for the purposes of this Scheme.
- 1.3. "Demerged Company" means Transrail Logistics Limited, a company incorporated under the Indian Companies Act, 1956 and having its registered office at M-2, Himland House, Karampura Commercial Complex, New Delhi-110015.
- 1.4. "Demerged Undertaking" means Rail Undertaking of Transrail Logistics Limited.
- 1.5. "Effective Date" means the date on which the certified copy of the Order of the High Court of Judicature for Delhi at New Delhi sanctioning the Scheme is filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana.
- 1.6. "Court" or "High Court" means the High Court of Delhi. In the event that the Central Government, by a notification to this effect, constitutes a National Company Law Tribunal and the proceedings under Sections 391 to 394 read with section 78 and 100 to 104 of the Act pursuant to the Scheme are transferred to such Tribunal, the term "Court" or "High Court" shall be deemed to include the National Company Law Tribunal.
- 1.7. "Remaining Business" means all the undertakings, businesses, activities and operations of the Demerged Company other than the Rail Undertaking.
- 1.8. "Resulting Company" means DARCL Logistics Limited, a company incorporated under the Companies Act, 1956 and having its registered office at M-2, Himland House, Karampura Commercial Complex, New Delhi-110015.
- 1.9. "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 16 of this Scheme.
- 1.10. "Rail Undertaking" means and includes the undertaking of the Demerged Company related to Rail transport business consisting, inter-alia, all assets including movable and immoveable properties and all liabilities relating thereto. Assets and Liabilities of the Rail Undertaking shall, inter-alia, mean and include:
- 1.10.1. The assets (whether real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) pertaining to the Rail Undertaking of the Demerged Company including but not limited to



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Wagons, Containers, Railway license to operate container trains, capital work in progress, intellectual property and rights to use intellectual property, licenses, furniture, fixtures, office equipment, appliances, accessories, vehicles, deposits, all stocks, assets, working capital, all customer/vendor contracts, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Rail Undertaking, whether in India or abroad;

1.10.2. All deposits, advances, loans, receivables, funds, staff advances, advance payments to regulatory authorities, cash, bank balances, accounts and all earnest money and/or deposits including security deposits made / paid by Demerged Company in connection with or relating to the Rail Undertaking;

1.10.3. All necessary records, files, papers, process information, computer programs, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Rail Undertaking; of Demerged Company;

1.10.4. The liabilities pertaining to / arising out of the activities or operations of the Rail Undertaking, inter-alia, including the following:

- All liabilities which arise out of the activities or operations of the Rail Undertaking;
- Specific loans and borrowings raised, term loans from banks and financial institutions (if any), bank overdrafts, working capital loans & liabilities, incurred and utilised solely for the activities or operations of the Rail Undertaking;
- liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Demerged Company, if any, allocated to the Rail Undertaking in the same proportion in which the value of the assets (ignoring the revalued amount) transferred under this Scheme bear to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme;

Provided however that any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Rail Undertaking or whether it arises out of the activities or operations of the Rail Undertaking shall be decided by mutual agreement between the Board of Directors of the Demerged Company and Resulting Company.



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1.10.5. All permanent and temporary employees of the Demerged

1.10.6. Company employed in/ or relatable to the Rail Undertaking as on the Effective Date, and as identified by the Board of Directors of the Demerged Company;

Without prejudice to the generality of the foregoing, it is clarified that all permits, sanctions, quotas, rights, entitlements, consents, permissions, licenses, certificates, authorisations relating to the Rail Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company. Further, all benefits or incentives including income tax, sales tax (including deferment of sales tax), service tax, value added tax and any other direct or indirect tax(es) benefits in respect of the Rail Undertaking for which the Demerged Company is entitled to in terms of the various statutes and/or schemes of Union and State Governments, shall be available to and vest in the Resulting Company.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

3. SHARE CAPITAL

3.1. The share capital of DARCL Logistics Limited or the Resulting Company as per latest audited accounts as on March 31, 2012 was as under:

Particulars	(Amount in Rs)
Authorised Capital	
4,50,00,000 Equity shares of Rs.10 each	45,00,00,000
Total	45,00,00,000
Issued, Subscribed and Paid-up	
2,52,00,000 Equity shares of Rs.10 each	25,20,00,000
Less Amount recoverable from TCG ESOP Trust	(24,20,000)
Total	24,95,80,000

The share capital of the Resulting Company as on the date of approval of Scheme by the Board of Directors of the Resulting Company is as under:



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Particulars	(Amount in Rs.)
Authorised Capital	
4,50,00,000 Equity shares of Rs.10 each	45,00,00,000
Total	45,00,00,000
Issued, Subscribed and Paid-up	
2,52,00,000 Equity shares of Rs.10 each	25,20,00,000
Total	25,20,00,000

3.2. The share capital of Transrail Logistics Limited or the Demerged Company as per the latest audited accounts as on 31st March, 2012 was as under:

Particulars	(Amount in Rs.)
Authorized Capital	
45,00,000 Equity Shares of Rs.10 each	4,50,00,000
1,50,00,000 10% Cumulative optionally convertible redeemable preference shares of Rs. 10/- each	15,00,00,000
Total	19,50,00,000
Issued, Subscribed and Paid-up	
39,86,202 Equity Shares of Rs.10 each	3,98,62,020
1,50,00,000 10% Cumulative optionally convertible redeemable preference shares of Rs. 10/- each	15,00,00,000
Total	18,98,62,020

The entire issued, subscribed and paid-up capital of the Demerged Company is currently held by the Resulting Company and its nominees.

There has been no change in the Issued, Subscribed and Paid-up share capital of the Demerged Company after 31st March, 2012.



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PART B

**DEMERGER OF THE RAIL UNDERTAKING OF THE DEMERGED COMPANY INTO
THE RESULTING COMPANY**

4. VESTING OF UNDERTAKING

With effect from the Appointed Date and upon the Scheme becoming effective and subject to the provisions of the Scheme, the Rail Undertaking of the Demerged Company, as defined in Clause 1.10 above, shall subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(1) of the Act, and in accordance with Section 394(2) of the Act and Section 2(19AA) of the Income tax Act, 1961, and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 4.1. With effect from the Appointed Date, the whole of the undertaking and properties comprising the Rail Undertaking, as aforesaid, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and be vested in and/or be deemed to be transferred to the Resulting Company so as to vest in the Resulting Company all the rights, title and interest pertaining to the Rail Undertaking of the Demerged Company.
- 4.2. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Company relating to the Rail Undertaking, as defined in clause 1.10 above, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any of the Act, without any further act or deed, be transferred to and/or deemed to be transferred to the Resulting Company as the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities and obligations have arisen in order to give effect to the provisions of this sub-clause.

It is hereby clarified that upon the Scheme becoming effective, the working capital lenders relating to the Rail Undertaking existing as of the Effective Date, that have security over the current assets of Demerged Company, shall be entitled to (a) security over the current assets of the Resulting Company and (b) a charge on the fixed assets of the Resulting Company (subject to first charge created/ to be created in favour of the term lenders, if any).

Further, all loans raised after the Appointed Date but before the Effective Date and liabilities incurred by the Demerged Company after the Appointed Date but before the Effective Date for operations of the Rail Undertaking, discharged by



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the Resulting Company shall be deemed to have been for and on behalf of the Resulting Company.


4.3. With effect from the Appointed Date, all documents of title, deeds, papers, contracts, licenses etc. pertaining to the Rail Undertaking shall be handed over to the Resulting Company.


4.4. With effect from the Appointed Date, the transfer and vesting of the assets of the Demerged Company relating to the Rail Undertaking shall be effected as follows:

4.4.1. The immoveable properties including land, building and structures, if any, belonging to and/or vested in the Rail Undertaking shall pursuant to Section 394(2) of the Act and provisions of this Scheme, without any further act or deed, be transferred to and vested in or deemed to have been transferred to the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes, if any, and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof.

4.4.2. All the movable assets of the Rail Undertaking or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand shall be physically handed over by manual delivery to the Resulting Company to the end and intent that the property therein passes to the Resulting Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Resulting Company accordingly.

4.4.3. In respect of movable assets, other than those specified in sub-clause 4.4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, pursuant to the Order of the High Court sanctioning the Scheme, the said debt, loan, advances, etc. would be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands extinguished, and that such rights to recover or realize the same shall vest in the Resulting Company. Pursuant to the Order of the High Court sanctioning the Scheme, each person, debtor or deposittee of the Rail Undertaking of the Demerged Company would pay the debt, loan or advance or make good the same or hold the same to the account of the Resulting Company and that the right

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Executive Director (Operations)
High Court of Delhi
Civil Chamber, Section 7B
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of the Resulting Company to recover or realise the same would be in substitution of the right of the Demerged Company.

- 4.5 Any loans or other obligations, if any, due between the Rail Undertaking of the Demerged Company and the Resulting Company or any other transactions between the Rail Undertaking of the Demerged Company and the Resulting Company as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.
- 4.6 All taxes, duties, cess payable by Demerged Company relating to the Rail Undertaking and all or any refunds/credit (including cenvat credits)/claims relating thereto shall be treated as the liability or refunds/credit/claims, as the case may be, of the Resulting Company.
- 4.7 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income tax Act, 1961. Such modification will however not affect other parts of the Scheme.

5. CONSIDERATION

As the entire issued, subscribed and paid-up share capital of the Demerged Company is held by the Resulting Company and its nominees, upon Demerger, Resulting Company would not be required to issue and allot any shares to the shareholders of the Demerger Company.

6. REORGANIZATION OF SHARE CAPITAL OF THE DEMERGED COMPANY

- 6.1 With effect from the Appointed Date and upon the Scheme becoming effective, cumulative debit balance of the profit & loss account of the De-merged Company as on appointed date, shall be adjusted in the order mentioned here under:
 - a) against the General Reserve of the De-merged Company, if any, created in accordance with Clause 7.1.6 of the Scheme;
 - b) against the Securities Premium Account of the Demerged Company as on Appointed date after giving effect to clause 7.1.6 of the Scheme, if applicable;
 - c) against the Cumulative Optionally Convertible Redeemable Preference Share Capital of the Demerged Company as on Appointed Date; and
 - d) against the Equity Share Capital of Demerged Company as on Appointed Date.



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- 6.2 Investment held by the Resulting Company in the Equity Shares and Cumulative Optionally Convertible Redeemable Preference Shares of the Demerged Company shall stand reduced to the extent of the reduction of the Securities Premium Account, Cumulative Optionally Convertible Redeemable Preference Share Capital and the Equity Share Capital of the Demerged Company in accordance with Clause 6.1 and 7.1.6 of the Scheme (if applicable).
- 6.3 Such reduction of share capital (including the securities premium account) of the Demerged Company as provided in Clause 6.1 above shall be effected as a part of the Scheme, and the order of the Court sanctioning the Scheme shall be deemed to be an order under sections 100 to 103 of the Act confirming such reduction of share capital of Demerged Company.
- 6.4 However as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Therefore no order under section 102 of the Act confirming the reduction shall be required.

7. ACCOUNTING TREATMENT

7.1 In the books of the Resulting Company

- 7.1.1. The Resulting Company shall, upon the arrangement becoming operative, record the Assets and Liabilities of the Rail Undertaking of the Demerged Company vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of the Demerged Company (excluding revaluation, if any) at the close of business of the day immediately preceding the Appointed Date.
- 7.1.2. The excess of the book value of assets and liabilities pertaining to the Rail Undertaking transferred pursuant to this Scheme shall, without any further act, instrument or deed, be recorded as general reserve of the Resulting Company and shall be deemed to be such reserve for all purposes under the provisions of the Act. In case of there being a shortfall (*that is where the difference between the book value of assets and liabilities pertaining to Rail Undertaking transferred pursuant to this Scheme is negative*), the same shall be adjusted against the general reserve of the Resulting Company.
- 7.1.3. With effect from the Appointed Date, at the discretion of the Board of Directors of the Resulting Company, all or such of the immovable properties of the Resulting Company in the form of Land and Buildings, as the Board of the Directors of the Resulting Company considers relevant and appropriate, will be reinstated at their respective fair values as determined by recognized valuers. Consequently, any adjustment (debit/credit) on account of such revaluation would be reflected as general reserve of the Resulting Company. General reserve, if any

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recorded by the Resulting Company pursuant to this Clause shall be adjusted in accordance with Clause 7.1.2 and 7.1.4 of the Scheme. Remainder if any, shall be deemed to be such reserve for all purposes under the provisions of the Act.

7.1.4. Investments of the Resulting Company in the Equity Shares and/or Cumulative Optionally Convertible Redeemable Preference Shares of the Demerged Company as on Appointed Date, shall stand reduced as per Clause 6.2 of the Scheme and such reduction of investments of the Resulting Company shall be adjusted against the General Reserve of the Resulting Company as on the Appointed Date.

In the books of the Demerged Company

7.1.5. All the assets and liabilities pertaining to the Rail Undertaking which cease to be the assets and liabilities of the Demerged Company shall be reduced by the Demerged Company at their book values.

7.1.6. The excess of the book value of assets and liabilities pertaining to the Rail Undertaking transferred pursuant to this Scheme shall, without any further act, instrument or deed, be adjusted against the securities premium account of the Demerged Company. In case of there being a shortfall (*that is where the difference between the book value of assets and liabilities pertaining to Rail Undertaking transferred pursuant to this Scheme is negative*), be recorded as general reserve of the Demerged Company and shall be deemed to be such reserve for all purposes under the provisions of the Act. General reserve, if any recorded by the Demerged Company pursuant to this Clause shall be adjusted in accordance with Clause 6 of the Scheme.

7.1.7. Share capital (including the Securities Premium Account) of Demerged Company shall stand reduced in accordance with Clause 6 of the Scheme.

8. CONDUCT OF BUSINESS

8.1 Subject to Clause 4 of the Scheme, as and from the date of approval of this Scheme by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company and till the Effective Date, the Demerged Company:

8.1.1. Shall be deemed to have been carrying on all business activities relating to the Rail Undertaking and stand possessed of all the assets, rights, title, interest of the Rail Undertaking for and on account of, and in trust for, the Resulting Company;



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8.1.2. Shall ensure that all profits accruing or losses arising or incurred by it (including the effect of taxes if any thereon) from the Appointed Date till the Effective Date, relating to the Rail Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Resulting Company;

8.1.3. Shall carry on the business of the Rail Undertaking with reasonable care and diligence and in the same manner as it had been doing hitherto;

8.1.4. Shall not, without the written concurrence of Board of the Resulting Company, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its properties defined in Clause 1.10 above except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Demerged Company and the Resulting Company;

8.1.5. Shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees in relation to the Rail Undertaking.

8.2 With effect from the Effective Date, the Resulting Company shall continue and carry on and shall be authorised to carry on the businesses carried on by the Rail Undertaking of the Demerged Company.

9. STAFF, WORKMEN & EMPLOYEES

On the Scheme becoming operative, all staff, workmen and employees of the Rail Undertaking of the Demerged Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Resulting Company with effect from the Appointed Date without any break in their service. The terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them in the Demerged Company on the Effective Date.

The equitable interest in accounts/funds of the employees, staff and workmen whose services are transferred to the Resulting Company, relating to superannuation fund and gratuity fund shall be identified, determined and transferred to the respective Trusts/Funds of the Resulting Company and such employees shall be deemed to have become members of such Trusts/Funds of the Resulting Company. With effect from the Effective Date, the Resulting Company shall make the necessary contributions for such transferred employees, staff and workmen of the Demerged Company in relation to the existing gratuity fund, superannuation fund, provident fund benefits and benefits under any other special fund or scheme. It is clarified that the services of such



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permanent employees of the Demerged Company will be treated as having been continuous and not interrupted for the purposes of such Funds.

The Resulting Company shall contribute to the existing gratuity and superannuation funds of the Demerged Company in respect of its employees, staff and workmen till such time the gratuity and superannuation funds are constituted and got registered with the Income tax authorities by the Resulting Company. The Income Tax department will register the gratuity and superannuation funds of the Resulting Company for the said purpose.

10. LEGAL PROCEEDINGS

- 10.1 All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising at the Appointed Date in relation to the Rail Undertaking shall be continued and enforced by or against the Resulting Company, and the Resulting Company will bear the liabilities of such proceedings at its own cost. The Demerged Company shall extend all its assistance to defend such proceedings at the cost of the Resulting Company.
- 10.2 Subsequent to the Appointed Date, if any proceedings are initiated by any third party (including regulatory authorities) by or against the Rail Undertaking of the Demerged Company under any statute, such proceedings shall be continued and enforced only against the Resulting Company and the Resulting Company shall bear the liabilities of such proceedings at its own cost. The Demerged Company shall extend all its assistance to defend the liabilities of such proceedings at the cost of the Resulting Company.

11. CONTRACTS, DEEDS, ETC.

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments including any contract for exploitation of Intellectual property rights and all other rights, title, interest, labels and brand registrations, copyrights, patents, trademarks, trade names, licenses and other industrial or intellectual property rights of any nature whatsoever, pertaining to the Rail Undertaking to which the Demerged Company is party and which are subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto. Further, all contracts with third parties relating to the Rail Undertaking to which the Demerged Company is party, shall be in full force and effect against or in favour of the Resulting Company. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the



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Authority on Order Section 78
Indian Evidence Act.

provisions of this Scheme, if so required or becomes necessary. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Demerged Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

13. GENERAL TERMS AND CONDITIONS:

13.1 The Resulting Company shall be entitled to claim credit for TDS Certificate and advance tax payments of Demerged Company between the Appointed Date and Effective Date relating to the Rail Undertaking vesting in the Resulting Company. Accordingly, the Demerged Company and the Resulting Company are expressly permitted to construct their respective income tax returns and related TDS certificates and shall have the right to prepare and file revised returns, if any, and to claim refund, advance tax credits, etc. upon this Scheme becoming effective and have expressly reserved the right to make such provisions in their respective income tax returns and related TDS certificates and the right to claim refund, advance tax credits, etc. pursuant to the sanction of this Scheme.

13.2 Since each of the permissions, licenses, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax holidays, incentives, concessions and other authorizations, shall stand vested in the Resulting Company by the Order of the Hon'ble High Court sanctioning the Scheme, the Resulting Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on record.

14. REMAINING BUSINESS AND OTHER LIABILITIES

The Demerged Company shall continue to carry on the Remaining Business. All the assets, liabilities and obligations pertaining to the Remaining Business arising prior to, on or after the Appointed Date including liabilities other than those transferred to the Resulting Company under Clause 1.11 of this Scheme shall continue to belong to, be vested in and be managed by the Demerged Company.

15. APPLICATION TO HIGH COURT

Demerged Company and Resulting Company shall make applications / petitions under Sections 391 to 394 read with section 78 and 100 to 104 and other



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Income Tax Act 1961

Resulting Company as may be directed by the Hon'ble High Court of Delhi is being obtained; and

- All other sanctions and orders as are legally necessary or required in respect of the Scheme being obtained.

18. EFFECT OF NON RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

19. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Resulting Company.



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Indian Evidence Act

TRANSRAIL LOGISTICS LIMITED
 Regd office: M-2, Himland House, Karampura Commercial Complex, New Delhi-
 110015

SCHEDULE OF PROPERTY

PART I

(Description of Freehold Property)

NIL

PART II

(Description of the Leasehold Property)

NIL

PART III

(Description of all other assets / liabilities including Stocks, Shares, Debentures and other charges in action)

	Amount (INR)	Amount (INR)
Total Assets		414,961,138
Rail Containers	38,487,996	
Flat Wagons	184,845,490	
Vehicles	34,058	
Computers	481,534	
Office Equipments	174,656	
Furniture & Fittings	201,452	
Railway License	78,809,035	
Security Deposit	2,310,400	
Trade receivable	40,738,371	
unbilled receivable	2,603,872	
cash and bank	2,383,386	
Advance recoverable in cash or kind	59,044,021	
Prepaid expense	204,899	
Service Tax	366,545	
Advance Tax	1,619,154	
Excess TDS	2,656,269	

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Lisha Agwal

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	Amount (INR)	Amount (INR)
Total Liabilities		409,977,374
Loan from bank	30,543,991	
Loan from Darcl	364,610,434	
Bank overdraft	2,368,277	
Trade payable	11,108,949	
Security deposit	95,125	
Advance from customers	869,300	
Long term provisions	34,212	
Short term provision	76,428	
TDS payable	196,975	
PF payable	55,244	
ESI Payable	18,439	

Dated this the 26th Day of March, 2014.
By order of the Court.

-Sd/-
Joint Registrar (Co.)
For Registrar General.

13/5/14

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Ms
Examiner Judicial Department
High Court of Orissa
Authorized Under Section 77
Indian Evidence Act.

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Date of Presentation of 15/7/14
 Application No. of 22
 Copying Fee 3300
 Process Fee 1100
 Registrati 1600
 Agency Fee one hundred sixty
 Total Rupee one hundred sixty
 Name of Applicant Mary Bessi
 Date of Receipt of Record 19/5/14
 for Copy 19/5/14
 Date of Preparation of Copy 19/5/14
 Date of Delivery of Copy 19/5/14

18/5/14
 Administrative Officer (Legal)
 (Original)
 High Court of Delhi
 New Delhi

