



WEIZMANN
LIMITED

Registered Office : Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001
Tel. No. +91-22-22071501, Fax +91-22-22071512, E-mail: - weizmann@bom3.vsnl.net.in

Court Convened Meeting of the Equity Shareholders

PARTICULARS	CONTENTS	Page Nos
Date : 6 th August, 2010	Notice of the meeting of the Equity Shareholders of Weizmann Limited under the provisions of Sections 391 to 394 and Section 100 of the Companies Act, 1956.....	2 - 3
Day : Friday		
Time : 11.a.m.	Explanatory statement under Section 393 of the Companies Act, 1956.....	4 - 13
Venue : Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Oricon House, 6 th Floor, Maharashtra Chamber of Commerce Path, Kalaghoda, Fort, Mumbai – 400 001.	Composite Scheme of Arrangement under Sections 391 to 394 read with sections 78 and 100 to 103 of the Companies Act, 1956.....	14 - 29
	Form of Proxy.....	30
	Attendance Slip.....	31

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 446 OF 2010**

In the matter of the Companies Act, 1956 (1 of 1956);

-And-

In the matter of Sections 391 to 394 read with Sections 78 and 100
to 103 of the Companies Act, 1956;

-And-

In the matter of the Composite Scheme of Arrangement between
Karma Energy Limited ("First Transferor Company") and Weizmann
Forex Limited ("Second Transferor Company") and Weizmann
Limited ("Transferee Company/Demerged Company") and Karma
Wind Power Limited ("Resulting Company No 1") and Chanakya
Holdings Limited ("Resulting Company No 2");

-And-

their respective shareholders.

WEIZMANN LIMITED , a company incorporated	)	
under the Companies Act, 1956 having its	)	
registered office at Empire House, 214,	)	
Dr. D. N. Road, Ent A K Nayak Marg,	)	
Fort, Mumbai 400 001.	)	 Applicant Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF WEIZAMANN LIMITED

To,

The Equity Shareholders of Weizmann Limited ("**the Applicant Company**").

TAKE NOTICE that by an Order made on the 25th day of June, 2010, in the above mentioned Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company, to be convened and held at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Orion House, 6th Floor, Maharashtra Chamber of Commerce Path, Kalaghoda. Fort, Mumbai – 400 001 at 11.00 a.m. on Friday, 6th day of August, 2010.

1. To consider and if thought fit, to approve, with or without modification(s), the Composite Scheme of Arrangement between Karma Energy Limited and Weizmann Forex Limited and Weizmann Limited and Karma Wind Power Limited and Chanakya Holdings Limited and their respective shareholders and utilization of the Share Premium Account of the Applicant Company under the provisions of the Sections 391 to 394 read with Sections 78 and 100 to 103 of the Companies Act, 1956.
2. To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 78 read with Sections 100 to 103 and any other applicable provisions, of the Companies Act, 1956 (hereinafter referred to as "the Act") and the Article 11 of the Articles of Association of the Company and subject to approval of shareholders by special resolution and confirmation of the Hon'ble High Court of Judicature at Bombay or any other appropriate authority as required under the Act, the Share Premium Account of the Applicant Company be reduced by an amount not exceeding Rs. 3692.12 lacs as a part of the Composite Scheme of Arrangement between Karma Energy Limited and Weizmann Forex Limited and Weizmann Limited and Karma Wind Power Limited and Chanakya Holdings Limited and their respective shareholders."

“FURTHER RESOLVED THAT the Board of Directors of the Company or a committee thereof, or Dr. Punya Deo Ojha - Chairman, or Mr. Dharmendra Gulabchand Siraj - Vice-Chairman or Mr. Chetan Durgadas Mehra - Managing Director, or Mr. Vishnu Pundalika Kamath - Director, of the Applicant Company, be and is hereby jointly or severally authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to the capital reduction or to accept such modification as may be required by the said Bombay High Court and/or any other regulatory authority to implement the aforesaid Resolution.”

TAKE FURTHER NOTICE that in order to comply with the said Order, a meeting of the Equity Shareholders of the Applicant Company will be held at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce Oricon House, 6th Floor, Maharashtra Chamber of Commerce Path, Kalaghoda, Fort, Mumbai – 400 001 at 11.00 a.m. on Friday the 6th day of August, 2010 where you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of Weizmann Limited, the Applicant Company at Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001 not later than 48 hours before the meeting.

The Hon'ble Bombay High Court has appointed Dr. Punya Deo Ojha - Chairman, Mr. Dharmendra G. Siraj – Vice Chairman and failing him Mr Chetan D. Mehra – Managing Director and failing him Mr. Vishnu P. Kamath - Director, of the Applicant Company, to be the Chairman of the said Meeting.

A copy of the Composite Scheme of Arrangement, the Statement under Section 393 of the Companies Act, 1956, the Attendance Slip and Form of Proxy are enclosed.

sd/-

Dated this 30th day of June, 2010

Place - Mumbai

(Dr. Punya Deo Ojha)

Chairman appointed for the meeting

Registered office:

Empire House, 214, Dr. D. N. Road,
Ent A K Nayak Marg,
Fort, Mumbai 400 001, Maharashtra, India

Notes:

1. All alterations made in the Form of Proxy should be initialed
2. Only registered shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the shareholders' meeting.
3. The representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting authorizing such representative to attend and vote at the Equity Shareholders' meeting

Enclosures: As above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 446 OF 2010.**

In the matter of the Companies Act, 1956 (1 of 1956);

-And-

In the matter of Sections 391 to 394 read with Sections 78 and 100 to 103 of the Companies Act, 1956;

-And-

In the matter of the Composite Scheme of Arrangement between Karma Energy Limited ("First Transferor Company") and Weizmann Forex Limited ("Second Transferor Company") and Weizmann Limited ("Transferee Company/Demerged Company") and Karma Wind Power Limited ("Resulting Company No 1") and Chanakya Holdings Limited ("Resulting Company No 2");

-And-

their respective shareholders.

WEIZMANN LIMITED, a company incorporated under the Companies Act, 1956 having its registered office at Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001.

)
)
)
)
)
.....the Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

Pursuant to the Order dated 25th day of June, 2010 passed by the Hon'ble High Court of Judicature at Bombay ("**the Court**") in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders of Weizmann Limited, the Applicant Company is being convened at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce Oricon House, 6th Floor, Maharashtra Chamber of Commerce Path, Kalaghoda, Fort, Mumbai – 400 001 on Friday, 6th day of August, 2010 at 11.00 a.m.. for the purpose of considering and if thought fit, approving, with or without modification, the Composite Scheme of Arrangement ("**the Scheme**") between Karma Energy Limited ("**KEL**" or "**the First Transferor Company**") and Weizmann Forex Limited ("**WFL**" or "**the Second Transferor Company**") and Weizmann Limited ("**WL**" or "**the Applicant Company**" or "**Transferee Company**" or "**Demerged Company**") and Karma Wind Power Limited ("**KWPL**" or "**the Resulting Company no. 1**") and Chanakya Holdings Limited ("**CHL**" or "**the Resulting Company No. 2**") under section Sections 391 to 394 read with Sections 78 and 100 to 103 and other applicable provisions of the Companies Act, 1956 ("**the Act**"). KEL and WFL are hereinafter together referred to as "**Transferor Companies**" and KWPL and CHL are hereinafter together referred to as "**Resulting Companies**".

A copy of the Composite Scheme of Arrangement ("**the Scheme**") setting out the terms and conditions of the arrangement which has been approved by the Board of Directors of the Applicant Company at its meeting held on March 26, 2010 is attached to this explanatory statement.

Background of Companies

1. The Applicant Company was originally incorporated on November 25, 1985 under provisions of the Companies Act, 1956 under the name and style of 'Weizmann Financial Resources (India) Limited'. The name of the Applicant Company was subsequently changed to 'Weizmann Industries Limited' vide fresh Certificate of Incorporation dated January 13, 1992 and again changed to 'Weizmann Limited' vide fresh Certificate of Incorporation dated May 3, 1994. The Registered Office of the Applicant Company is situated at Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001.
2. The objects of WL, the Applicant Company are set out in the Memorandum of Association. Some of the principal objects are *inter-alia* as follows:
 - a. *To carry on the business as an Investment Company and to underwrite, sub-underwrite, to invest in, and acquire by gift or otherwise and hold, sell, buy or otherwise deal in shares, debentures, debenture-stocks, bonds, units, obligation and securities issued by Indian or Foreign Government, States Dominions, Sovereigns, Municipalities, or Public Authorities or bodies and shares, stocks, debentures, debenture-stock. bonds, obligations and securities issued and guaranteed by any company, corporation, firm or person whether Incorporated or established in India or elsewhere and to manage investment pools, mutual funds, syndicates in shares, stocks, securities, finance subject to the necessary Government approval, however, the Company shall not carry on any Chit Fund activities, to channelize financial resources and funds from any person whether Indian resident or not including any individual, firm, companies, body corporate, legal entities and to manage such funds by investment in various avenues like Growth Fund, Income Fund, Risk Fund, Tax Exemption Funds, Pension / Superannuation Funds and to pass on the benefits of portfolio investments to the investors as dividends, bonus, interest, etc. and to act as Brokers, dealers, agents and to carry on the business of share broking, money broking, exchange broking, bill broking and general brokers for shares, debentures, debenture-stocks, bonds, units, obligations, securities, commodities, bullion currencies; to promote industrial financial by way of advance, deposit or lend money, securities, and deal in properties or*

- with any company, body, corporate, firm, persons or association whether falling under the same management or otherwise with or without security and on such terms as may be determined from time to time.
- b. To finance the Industrial Enterprises and to provide venture capital, seed capital loan capital and to participate in equity preference share capital or to give guarantees on behalf of the Company in the matter and to promote companies engaged in industrial and Trading business.
 - c. To carry on and undertake the business of hire, hire purchase, deferred payments, leasing and to finance and assist in financing lease operations of all and every kind, including movable and immovable properties.
 - d. To manufacture, fabricate design and develop, erect, install, work, manage or maintain plants-end equipments for generation, removal, storage, collection, use, or distribution of alternative energy through any source of power, which may be known of resented or which may come into existence in future and specifically through wind, water, solar, bio, thermal and geo-thermal or otherwise.
 - e. To manufacture trade, export, import all types of Cotton, Silk, Natural Silk, Woolen, man-made staple, polyester, Viscose, Ready made Garments with embroider Glass beads, Buttons/snap fastners, Zips, Tags, Lables, Stickers and all types of knitwear and all types of hosiery.
3. The share capital of the Applicant Company as per the latest Audited Statements of Accounts as on 31st March, 2009 is as under:

Particulars	Amount (Rs.)
1. Authorised Capital	
3,00,00,000 Equity Shares of Rs 10/- each	30,00,00,000
20,00,000 Preference Shares of Rs 100/- each	20,00,00,000
Total	50,00,00,000
2. Issued, Subscribed and Paid-up	
1,28,61,086 Equity Shares of Rs 10/- each fully paid-up	12,86,10,860
Total	12,86,10,860

- Subsequent to 31st March 2009 there has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Company.
4. The Equity Shares of the Applicant Company are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
 5. The Applicant Company is engaged in the business of Textile Processing and Exports and Renewable Energy Projects.
 6. KEL was incorporated on 17th November, 1972 under the name and style of "Anita Auto Industries Private Limited" under the Companies Act, 1956. The name of the Company was changed to Karma Energy Private Ltd under fresh certificate of incorporation dated 18/09/2000 and to Karma Energy Ltd consequent on change of name on 15/11/2000 and has its registered office at 26, Gobind Mahal, 86B, N. S. Road, Marine Drive, Mumbai – 400 002.
 7. The objects of KEL are set out in the Memorandum of Association. The main objects are interalia as hereunder:
 - a. To establish wind farms for electricity generation and to carry on the business as sellers, suppliers, importers, exporters, lessors, lessee, dealers of all lands of power generation equipments Including Wind Mills, Wind Turbine Generators and their components Hydro Turbines, Thermal Turbines, Solar Modules, Panels and to generate accumulate distribute supply electricity and other power (subject to and in accordance with law) for the purpose of light, heat, motive power and for all other purposes for which electricity and other energy sources can be employed and to produce energy by Bio-mass. Biogas, Waves and to produce energy by any other Non conventional methods and deal in the said equipments, accessories and tools
 - b. To generate, develop, accumulate distribute, buy, sell transmit or otherwise deal in all forms of energy including electricity, power any type of hydel power gas, coal, light and to undertake all forms of construction activity for these purposes including dams, power houses, roads, and to undertake all types of water works and related activity for these purposes and to produce, buy sell, treat exchange, renovate alter install or otherwise deal in any type of machine or equipment for generating, distributing, transmitting energy including electricity and to deal with all persons including Companies Government and Semi government bodies for these purposes and lo deal with an places including cities towns villages talukas districts docks markets, theatres buildings, industries, offices lo take over existing generation plants and companies and distribution and transmission systems and to renovate the generating plant and distribution and transmission systems, and to renovate the generating plant and distribution and transmission systems, and to acquire take over and license, concessions for energy generation, distribution, transmission and to carry on the business of an Electric Power. Light and Supply Company and in particular to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines. accumulators lamps end works, water rights, canals gas works electric works, reservoirs, water course, furnaces Stamping works smelting works factories warehouses and other works and conveniences
 - c. To enter into foreign collaboration for technical know-how and or for finance participation by way of loan, lease finance and or equity participation in the capital of the Company, contract. sole selling agency agreement for

installation, erection, operation and maintenance of Wind Mills, Wind Turbine generators and their components, power generation equipments, products either manufactured, sold supplied and dealt with by the Company

8. The share capital of KEL as per the Audited Statement of Accounts as on 31st March, 2009, is as under:

Particulars	Amount (Rs.)
1. Authorised Capital 4,00,00,000 Equity Shares of Rs 10/- each	40,00,00,000
Total	40,00,00,000
2. Issued, Subscribed and Paid-up 2,38,45,500 Equity Shares of Rs 10/- each fully paid-up.	23,84,55,000
Total	23,84,55,000

Subsequent to 31st March 2009, there has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of KEL.

9. The entire Issued, Subscribed and Paid-up Capital of KEL is held by the Applicant Company and its nominees.
10. KEL is engaged in the business of wind power generation.
11. WFL was incorporated on 21st August, 1997 under the Companies Act, 1956 under the name and style of "Weizmann Forex Limited" and has Its registered office is at Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001.
12. The objects of WFL are set out in the Memorandum of Association. The main objects are interalia as hereunder:
- To act as money changers', brokers, dealers, agents. buyers and sellers of all in foreign exchange in the form of currencies, Travellers' cheques, Bonds, notes, Instruments, papers, documents, subject to Reserve Bank of India approval, wherever necessary approval of competent authorities, to take positions hold and trade on the movements of foreign currencies on behalf of customers or otherwise, to hold, operate and transact in foreign currencies and/ or exchange by maintaining foreign currency bank accounts or otherwise, and to Issue or act as agents for travelers cheques , credit cards, phone cards and all Instruments in any currency subject to all rules, regulations and approvals as may be necessary and to undertake the business of Importers, exporters and merchandising of all kinds of goods and articles and to deal In documents related to Import or export or barter trade, payables or receivables or securities either within or outside India.*
 - To deal In currency or exchange options, swaps, futures, in foreign or Indian currencies in direct or derivative forms In India or abroad on the Company's own behalf or on behalf of Its clients, to manage, acquire, hold, exchange, dispose of monies, foreign exchange, Investments, funds, pools relating to and/or emanating from India or elsewhere on Its own behalf or on behalf of hs clients, customers. dealers, brokers, agents, trusts, funds, Govt. or other bodies, to do the business of broking in exchange, currencies, shares, securities, monies, or in other derivatives, to do the business of custodial services, Insurance, assets, and securities and/or portfolio management in India or abroad, on Its own or on behalf of its clients, dealers, brokers and others, to carry on the business of lease, hire purchase, deferred payments or in any other authorised forms of finance to business in permitted form or shape or manner, to Invest, deal, buy, sell, pledge, hypothecate, or otherwise charge In precious metals such as platinum, gold, bullion, silver, and to borrow, raise and secure the payment and repayment of other metals In the refined, unrefined, derivative, solid, liquid or other forms or shapes in India or elsewhere,*
 - To promote, finance Industrial enterprises and to provide venture capital, seed capital, loan Capital and to participate In equity and preference and other forms of share capital, loan or term capital or to give guarantee, acceptance, underwriting, stand-by support etc. subject to necessary sanction from competent authorities, to constitute or promote funds. Trusts, Asset Management Companies, Custodial Service Companies, to acquire membership, dealership, directorship, licences permits, registrations or get empanelled or enrolled or take or accept or such other positions In Associations, Stock Exchanges, Organisations Boards, Bourses or other Trade Bodies In India and abroad and carry on the business as members, dealers, licensees or In any other capacity In any of these.*
13. The share capital of WFL as per the Audited Statement of Accounts as on 31st March, 2009 is as under:

Particulars	Amount (Rs.)
1. Authorised Capital 1,05,00,000 Equity Shares of Rs 10/- each	10,50,00,000
Total	10,50,00,000
2. Issued, Subscribed and Paid-up 1,00,01,070 Equity Shares of Rs 10/- each fully paid-up	10,00,10,700
Total	10,00,10,700

Subsequent to 31st March, 2009, there has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of WFL.

14. As on date, the Applicant Company holds 51,00,570 Equity Shares (i.e. 51%) in WFL
15. WFL is presently engaged in the business of money changing and money transfer.
16. KWPL was incorporated on March 15th, 2007 under the Companies Act, 1956 as a private limited company. With effect from 12th March, 2010 KWPL is converted into a public limited company. Its registered office is situated at Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400001.
17. The objects of KWPL are set out in the Memorandum of Association. The main objects are interalia as hereunder:
 - a. *To Generate, develop, accumulate, distribute, buy, sell, transmit or otherwise deal in all forms of Energy including Electricity, Power, any type of conventional and non-conventional energy like Hydel, Power, Wind power, Gas, Coal, Light and to take over existing generation plants and companies and distribution and transmission systems and to renovate the generating plant and distribution and transmission systems, and to acquire, take over any license, concessions for energy generation, distribution, transmission.*
18. The share capital of KWPL as per the latest Audited Statement of Accounts as on 31st March, 2009, is as under :

Particulars	Amount (Rs.)
1. Authorised Capital	
10,000 Equity Shares of Rs 10/- each	1,00,000
Total	1,00,000
2. Issued, Subscribed and Paid-up	
10,000 Equity Shares of Rs 10/- each fully paid-up	1,00,000
Total	1,00,000

Subsequent to 31st March 2009, there has been a change in the Authorised, Issued, Subscribed and Paid-up Share Capital of KWPL. KWPL has increased its Authorised Share capital to Rs. 5,00,000 and Issued, Subscribed and Paid Share Capital to equal amount. The revised share capital of KWPL as on date is as follows:

Particulars	Amount (Rs.)
1. Authorised Capital	
50,000 Equity Shares of Rs 10/- each	5,00,000
Total	5,00,000
2. Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs 10/- each fully paid-up	5,00,000
Total	5,00,000

19. KWPL is engaged in the business of wind power generation.
20. CHL was incorporated on October 9th, 1985 under the Companies Act, 1956 under the name and style of "Chanakya Holdings Limited" and has its registered office at Empire House, 214, Dr. D. N. Road, Ent. A. K. Nayak Marg, Fort, Mumbai-400 001.
21. The objects of CHL are set out in the Memorandum of Association. The main objects are interalia as hereunder:
 - a. *To carry on the business of a holding company and to invest the Capital and other moneys of the Company in the purchase of shares, stocks, Bonds, units and security of any kind issued by any institution, Company or Body Corporate.*
 - b. *To invest in acquiring and holding shares, stocks, debentures, debenture stock, bonds, obligations and securities, issued or guaranteed by any company constituted for carrying on business in India or elsewhere and debentures, debenture stocks, bonds, obligations and securities, issued or guaranteed by any Government, state, dominion, sovereign, rulers, commissioner, public body, or authority supreme, municipal, local or otherwise firm or persons whether in India or elsewhere and to deal with and turn to account the same.*
 - c. *To act as money changers, brokers, dealers, agents, buyers, and sellers of all in foreign exchange in the form of currencies, Travellers cheques, Bonds, notes. Instruments, papers, documents, subject to Reserve Bank of India approval, wherever necessary approval of competent authorities, to lake positions hold and trade on the movements of foreign currencies on behalf of customers or otherwise, to hold, operate and transact in foreign currencies and/or exchange by maintaining foreign currency bank accounts or otherwise, and to issue or act as agents for travelers cheques, credit cards, phone cards and all Instruments in any currency subject to all rules, regulations and approvals as may be necessary and to undertake the business of money transfer,*

money remittance or prepaid cards with all its variations or extensions which are in existence or which may come into existence, within India and outside and as a principal or as an agent for any other person carrying on such business, subject to terms and conditions mentioned in the permission / license as may be required to be obtained from Reserve Bank of India or from any other authority prescribed therefore. To deal in currency or exchange options, swaps, futures, in foreign or Indian currencies in direct or derivative forms In India or abroad on the Company's own behalf or on behalf of its clients, to manage, acquire, hold, exchange, dispose of monies, foreign exchange. Investments, funds, pools relating to and/or emanating from India or elsewhere on its own behalf or on behalf of its clients, customers, dealers, brokers, agents, trusts, funds, Govt. or other bodies, to do the business of broking in exchange, currencies, shares, securities. monies, or in other derivatives, to do the business of custodial services, Insurance, assets, and securities and/or portfolio management in India or abroad, on its own or on behalf of its clients, dealers, brokers and others, to carry on the business of lease, hire purchase, deferred payments or in any other authorised forms of finance to business in permitted form or shape or manner, to invest, deal. Buy, sell, pledge, hypothecate, or otherwise charge In precious metals such as platinum, gold. bullion, silver, and to borrow, raise and secure the payment and repayment of other metals in the refined, unrefined, derivative, solid, liquid or other forms or shapes in India or elsewhere,

22. The Share Capital of CHL as per the last Audited Statement of Accounts as on March 31, 2009 is as under:

Particulars	Amount (Rs.)
1. Authorised Capital	
5,000 Equity Shares of Rs.100/- each	5,00,000
20,000 Preference Shares of Rs.100/- each	20,00,000
Total	25,00,000
2. Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs10/- each fully paid-up	5,00,000
Total	5,00,000

Subsequent to 31st March, 2009, the Authorised Preference Share Capital of CHL comprising of 20,000 Preference Shares of Rs.100/- each was regrouped and reclassified as 2,00,000 Equity Shares of Rs.10/- each. Further Authorised Equity Share Capital comprising of 5,000 Equity Shares of Rs.100/- each was also sub-divided into 50,000 Equity Shares of Rs.10/- each. Consequently, the paid up Equity Share Capital is also sub-divided in the face value of Rs.10 /-each. The revised share capital of CHL as on date is as under:

Particulars	Amount (Rs.)
1. Authorised Capital	
2,50,000/- Equity Shares of Rs.10/- each	25,00,000
Total	25,00,000
2. Issued, Subscribed and Paid-up	
50,000/- Equity Shares of Rs10/- each fully paid-up	5,00,000
Total	5,00,000

23. CHL is engaged in the business of packing, checking, trading textile related goods.

Rationale behind proposed restructuring:

24. The proposed arrangement between KEL and WFL and the Applicant Company and KWPL and CHL would, *interalia*, have the following benefits:
- Creation of separate legal entities of the primary business segments of Weizmann group companies, being part of the Composite Scheme, viz., Textile/ Export and other business in the Applicant Company and Forex Business and Power Business in Resulting Companies.
 - Unlocking the values of the demerged undertakings by issuing Equity Shares to the Equity Shareholders of the Applicant Company by the two unlisted resultant companies and through listing the said unlisted companies provide the shareholders of the Applicant Company, to participate directly in focused entities engaged in separate specific business verticals.
 - It is believed that the proposed segregation will create enhanced value for shareholders and allow a focussed strategy in operations, which would be in the best interest of shareholders, creditors and all stakeholders.
 - The demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.

- (e) The Scheme is aimed at protecting and maximizing value for the shareholders of the companies.

Salient Features

25. The salient features of the Scheme are as follows:

- (1) The Composite Scheme of Arrangement deals with the following:
 - i. **The Amalgamation of KEL and WFL with WL**, the terms of which are set out in **Part B** of the Scheme attached herewith; and
 - ii. **Demerger of Power Undertaking of WL into KWPL** on a going concern basis, the terms of which are set out in **Part C** of the Scheme attached herewith; and
 - iii. **Demerger of Forex Undertaking of WL into CHL** on a going concern basis, the terms of which are set out in **Part D** of the Scheme attached herewith.
 - iv. Change of name of KWPL and CHL as KEL and WFL, respectively.
- (2) The Scheme drawn is in conformity with the conditions relating to “Amalgamation” and “Demerger” as specified under section 2(1B) and section 2(19AA) respectively of the Income-tax Act, 1961
- (3) ‘**Merger Appointed Date**’ means 1st day of April, 2009 or such other date as the Hon’ble Bombay High Court may direct / fix;
- (4) “**Demerger Appointed Date**” means the 1st day of April 2010 or such other date as may be approved by the Hon’ble Bombay High Court;
- (5) Amalgamation of Transferor Companies with WL - (Part B of the Scheme)
 - a. From the Merger Appointed Date and upon the Scheme becoming effective, the entire business and whole of the undertaking of the Transferor Companies as a going concern, shall, pursuant to the orders of the Hon’ble High Court of Bombay sanctioning this Scheme, be transferred and/or deemed to be transferred to and vested in WL so as to become the properties, assets and liabilities of WL.
 - b. All employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall be deemed to be employed in WL on such date without any break or interruption in service.
 - c. Consideration:
 - (i) Since KEL being a wholly owned subsidiary of WL, no consideration shall be paid in respect of merger of KEL with WL.
 - (ii) In respect of merger of WFL, WL shall issue to the shareholders of WFL, 9 (Nine) fully paid up equity shares of Rs. 10 each of WL, for every 10 (Ten) fully paid up equity shares of Rs. 10 each held by him/her/it in WFL, except to the extent of shares held by WL in WFL
 - d. All assets, liabilities and reserves of the Transferor Companies shall be recorded by WL at book values the excess of the net assets taken over of the Transferor Companies as adjusted for the face value of equity shares issued by WL and cancellation of investments in the equity capital of the Transferor Companies shall be credited to the Amalgamation Reserve Account of the Applicant Company. In case of deficit, the same shall be debited to the Goodwill Account.
 - e. On the Scheme becoming effective KEL and WFL shall stand dissolved without being wound up.
- (6) Demerger of Power Undertaking of WL to KWPL - (Part C of the Scheme)
 - a. From the Demerger Appointed Date subject to the Scheme becoming effective, the Power Undertaking of WL shall, be demerged and transferred to and vest in and / or be deemed to be transferred to and vested in KWPL as a going concern
 - b. All employees of the Power Undertaking of WL in service on the date immediately preceding the Effective Date shall be deemed to be employed in KWPL on such date without any break or interruption in service.
 - c. In consideration for the demerger, every Equity Shareholder of WL will be issued and allotted 2 (two) equity shares of KWPL for every 3 (three) equity shares held in WL
 - d. Equity shares of KWPL would be listed on the stock exchanges where the equity shares of WL are listed.
 - e. All taxes payable by WL, the Applicant Company, relating to the Power Undertaking, from the Demerger Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of CHL.
 - f. KWPL shall be re-named as Karma Energy Limited
- (7) Demerger of Forex Undertaking of WL to CHL - (Part D of the Scheme)
 - a. From the Demerger Appointed Date and upon the Scheme becoming effective, the Forex Undertaking of WL shall, be demerged and transferred to and vest in and / or be deemed to be transferred to and vested in CHL as a going concern

- b. All employees of the Forex Undertaking of WL in service on the date immediately preceding the Effective Date shall be deemed to be employed in CHL on such date without any break or interruption in service.
 - c. Every Equity Shareholder of WL will be issued and allotted 2 (two) equity shares of CHL for every 3 (three) equity shares held in the Applicant Company
 - d. Equity shares of CHL would be listed on the stock exchanges where the equity shares of WL are listed.
 - e. All taxes payable by WL, the Applicant Company, relating to the Forex Undertaking, from the Demerger Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of CHL.
 - f. CHL shall be re-named as Weizmann Forex Limited.
- 8) The Scheme is conditional upon and subject to the approvals and/or sanctions laid down in Clause 34 of the Scheme.
- The members are requested to read the entire text of the Scheme to get better acquainted with the provisions thereof. As stated above, the aforesaid are only salient features thereof.***
26. The issue and allotment of the shares under the provisions of the Scheme to Non-Resident shareholders and Overseas Commercial Bodies, if any, shall be subject to applicable regulations and compliances of Reserve Bank of India under Foreign Exchange Management Act, 1999 and such terms as Reserve Bank of India may impose.
 27. The share exchange ratio is based on independent valuation exercise carried out by M/s N. A. Shah Associates, Chartered Accountants. In terms of clause 24(h) of the Listing Agreement, the Company has also obtained a fairness opinion from M/s Fedex Securities Ltd, a Category I Merchant Banker on the share exchange ratio.
 28. Upon the de-merger of the power undertaking and forex undertaking of the applicant company into two resultant companies, the difference in Net Asset Value of the power undertaking and the forex undertaking is proposed to be adjusted first against capital reserve and thereafter share premium account of the applicant company. The reduction of Share Premium Account, shall be effected as an integral part of the Scheme and the Order of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act confirming the reduction. Further, this adjustment is only by way of an accounting entry and no payment is being made to any shareholder of the Applicant Company. Hence the interest of creditors is not getting affected.
 29. No investigation proceedings are pending under Sections 235 and 251 of the Companies Act, 1956 in respect of the Applicant Company.
 30. The Applicant Company has obtained the approval of the Scheme in terms of the Clause 24(f) of the Listing Agreement from Bombay Stock Exchange Limited vide their letter their dated 30th April 2010 and similar approval from National Stock Exchange of India Limited vide their letter dated May 10, 2010.
 31. The rights and interests of the members and creditors of the Applicant Company will not be prejudicially affected by the Scheme.
 32. The Applicant Company is in a sound financial position. Even after the Scheme becomes effective, the financial position of the Applicant Company would continue to remain strong and it will be able to meet and pay its debts as and when they arise in the normal course of business. Hence, the arrangement in no way casts any burden on the creditors of the Applicant Company.
 33. The Composite Scheme of Arrangement was approved by the Board of Directors of the Applicant Company, Transferor Companies and the Resulting Companies on March 26, 2010.
 34. The pre and post Arrangement shareholding of the Applicant Company will be as follows:

Shareholders	Pre-merger (30th June, 2010)		Post merger	
	Shares	%	Shares	%
Promoters	8,455,720	65.75	1,28,66,170	74.49
Persons Acting in Concert	-	-	-	-
Mutual Funds and UTI	13,142	0.10	13,142	0.07
Banks, Fin. Institutions, etc.	200	0.00	200	0.00
FIs	-	-	-	-
Private Corporate Bodies	3,06,803	2.39	3,06,803	1.78
Indian Public	39,20,087	30.48	39,20,087	22.70
NRI / OCB	1,65,134	1.28	1,65,134	0.96
Total	1,28,61,086	100.00	1,72,71,536	100.00

Notes:

1. The above position is as on 30th June, 2010.
2. The above shareholding pattern of WL (Post implementation of the Scheme) is provisional and approximate.
35. The pre and post Arrangement Capital Structure of KWPL will be as follows:

Shareholders	Pre-demerger (30th June, 2010)		Post demerger	
	Shares	%	Shares	%
Promoters	50,000	100.00	86,27,446	74.60
Persons Acting in Concert	-	-	-	-
Mutual Funds and UTI	-	-	8761	0.08
Banks, Fin. Institutions, etc.	-	-	133	-
FIs	-	-	-	-
Private Corporate Bodies	-	-	2,04,535	1.77
Indian Public-	-	-	26,13,391	22.60
NRI / OCB	-	-	1,10,089	0.95
Total	50,000	100.00	1,15,64,355	100.00

Notes:

1. The above position is as on 30th June, 2010.
2. The above shareholding pattern of KWPL (Post implementation of the Scheme) is provisional and approximate.
36. The pre and post Arrangement Capital Structure of CHL will be as follows:

Shareholders	Pre-demerger (30th June, 2010)		Post demerger	
	Shares	%	Shares	%
Promoters	48,860	97.72	86,26,306	74.59
Persons Acting in Concert	-	-	-	-
Mutual Funds and UTI	-	-	8,761	0.08
Banks, Fin. Institutions, etc.	-	-	133	0.001
FIs	-	-	-	-
Private Corporate Bodies	-	-	2,04,535	1.77
Indian Public	1,140	2.28	26,14,531	22.61
NRI / OCB	-	-	1,10,089	0.95
Total	50,000	100.00	1,15,64,355	100.00

Notes:

1. The above position is as on 30th June, 2010.
2. The above shareholding pattern of CHL (Post implementation of the Scheme) is provisional and approximate.
37. The directors of the Applicant Company, the Transferor Companies and the Resulting Companies may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies or to the extent the said directors are the directors, partners members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Particulars of interest of the directors of the Applicant Company, the Transferor Companies and the Resulting Companies are available for inspection at the registered office of the Applicant Company.
38. The details of present directors of the Applicant Company and their shareholding in the Applicant Company, the Transferor Companies and Resulting Companies, either singly or jointly as on date are as follows:

Name of the Director of the Applicant Company	No of Shares held in				
	Applicant Company	KEL	WFL	KWPL	CHL
Dr. P. D. Ojha	Nil	Nil	Nil	Nil	Nil
Mr. D. G. Siraj	1668076	Nil	Nil	10	46
Mr. C. D. Mehra	1971001	Nil	250000	10	Nil
Mr. N. V. Siraj	Nil	Nil	Nil	Nil	45
Mr. H. V. Siraj	Nil	Nil	Nil	Nil	Nil
Mr. V. P. Kamath	Nil	Nil	Nil	Nil	Nil

39. The details of present directors of KEL, and their shareholding in the Applicant Company, the Transferor Companies and the Resulting Companies, either singly or jointly as on date are as follows:

Name of the Director of KEL	No of Shares held in				
	Applicant Company	KEL	WFL	KWPL	CHL
Mr. D. G. Siraj	1668076	Nil	Nil	10	46
Mr. C. D. Mehra	1971001	Nil	250000	10	Nil
Mr. G. N. Kamath	Nil	Nil	Nil	Nil	Nil
Mr. N. V. Siraj	Nil	Nil	Nil	Nil	45
Mr. Sumant S Chadha	Nil	Nil	Nil	Nil	Nil
Mr. V. P. Kamath	Nil	Nil	Nil	Nil	Nil

40. The details of present directors of WFL and their shareholding in the Applicant Company and Transferor Companies and the Resulting Companies, either singly or jointly as on date are as follows:

Name of the Director of WFL	No of Shares held in				
	Applicant Company	KEL	WFL	KWPL	CHL
Mr. D. G. Siraj	1668076	Nil	Nil	10	46
Mr. C. D. Mehra	1971001	Nil	250000	10	Nil
Mr. N. V. Siraj	Nil	Nil	Nil	Nil	45
Mr. H. V. Siraj	Nil	Nil	Nil	Nil	Nil
Mr. V. P. Kamath	Nil	Nil	Nil	Nil	Nil
Mr. V. N. Davda	263200	Nil	Nil	Nil	Nil

41. The details of present directors of KWPL, and their shareholding in the Applicant Company and Resulting Companies and the Transferor Companies, either singly or jointly as on date are as follows

Name of the Director of KWPL	No of Shares held in				
	Applicant Company	KEL	WFL	KWPL	CHL
Mr. C. D. Mehra	1971001	Nil	250000	10	Nil
Mr. G. N. Kamath	Nil	Nil	Nil	Nil	Nil
Mr. P. M. Sheth	Nil	Nil	Nil	Nil	Nil

42. The details of present directors of CHL and their shareholding in the Applicant Company and Resulting Companies and the Transferor Companies, either singly or jointly as on date are as follows:

Name of the Director of CHL	No of Shares held in				
	Applicant Company	KEL	WFL	KWPL	CHL
Mr. D. G. Siraj	1668076	Nil	Nil	10	46
Mr. N. V. Siraj	Nil	Nil	Nil	Nil	45
Mr. H. V. Siraj	Nil	Nil	Nil	Nil	Nil

43. On the Composite Scheme of Arrangement being approved as per the requirements of Section 391 of the Act, the Applicant Company, the Transferor Companies and the Resulting Companies will seek the sanction of the Hon'ble Bombay High Court to the Scheme.
44. Inspection of the following documents, in original or certified true copy form, may be had at the Registered Office of the Applicant Company on any working day prior to the date of the meeting, between 10.30 a.m. and 12.30 p.m.
- A copy of Order dated 25th day of June, 2010 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 446 of 2010 directing the convening of the meeting of the Equity Shareholders of the Applicant Company;
 - A copy of the Composite Scheme of Arrangement;
 - A copy of Memorandum and Articles of Association of the Applicant Company, each of the Transferor Companies and each of the Resulting Companies;
 - A copy the Audited Accounts of the Applicant Company, each of the Transferor Companies and each of the Resulting Companies as on 31st March, 2009.
 - A copy of the Valuation Report dated March 22, 2010 issued by M/s N. A. Shah Associates, Chartered Accountants
 - A copy of Fairness Opinion dated March 25, 2010 issued by M/s Fedex Securities Limited
 - Copies of no objection letters dated April 30, 2010 and May 10, 2010 received respectively from Bombay Stock Exchange Limited and National Stock Exchange of India Limited
 - Unaudited financial statements of the Applicant Company, each of the Transferor Companies and each of the Resulting Companies as on March 31, 2010

This statement may be treated as the statement under Section 393 of the Act. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Applicant Company and/or at the office of its advocates M/s Rajesh Shah & Co., 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai - 400001.

Dated this 30th day of June, 2010

Place - Mumbai

(Dr. Punya Deo Ojha)

Chairman appointed for the meeting

Registered office:

Empire House, 214, Dr. D. N. Road,
Ent A K Nayak Marg,
Fort, Mumbai 400 001, Maharashtra, India

Note: All alterations made in the form of proxy should be initialed.

COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
KARMA ENERGY LIMITED ('THE FIRST TRANSFEROR COMPANY')
AND
WEIZMANN FOREX LIMITED ('THE SECOND TRANSFEROR COMPANY')
AND
WEIZMANN LIMITED ('THE TRANSFEREE COMPANY/THE DEMERGED COMPANY')
AND
KARMA WIND POWER LIMITED ('THE RESULTING COMPANY NO. 1')
AND
CHANAKYA HOLDINGS LIMITED ('THE RESULTING COMPANY NO. 2')
AND
THEIR RESPECTIVE SHAREHOLDERS

Under Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of The Companies Act, 1956

Preamble

This Composite Scheme of Arrangement is under the Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 for –

- I. The Amalgamation of Karma Energy Limited and Weizmann Forex Limited with Weizmann Limited; and
 - II. Demerger of Power Undertaking of Weizmann Limited into Karma Wind Power Limited on a going concern basis; and
 - III. Demerger of Forex Undertaking of Weizmann Limited into Chanakya Holdings Limited on a going concern basis.
- The Scheme is divided into following parts:
- I. **Part A** – dealing with Definitions and Basic Information;
 - II. **Part B** – dealing with amalgamation of Karma Energy Limited and Weizmann Forex Limited with Weizmann Limited;
 - III. **Part C** – dealing with the demerger of Power Undertaking of Weizmann Limited into Karma Wind Power Limited;
 - IV. **Part D** – dealing with the demerger of Forex Undertaking of Weizmann Limited into Chanakya Holdings Limited; and
 - V. **Part E** – dealing with general Terms and Conditions.

PART A – DEFINITIONS AND BASIC INFORMATION

1. Definitions

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

- 1.1 **“Act”** or **“the Act”** means the Companies Act, 1956 and shall include any statutory modifications or amendments or re-enactment thereof from time to time;
- 1.2 **“CHL”** or **“the Resulting Company No. 2”** means, Chanakya Holdings Limited a company incorporated under the Companies Act, 1956 and having its Registered Office at Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001.
- 1.3 **“Demerger Appointed Date”** means the 1st day of April 2010 or such other date as may be approved by the Hon'ble Bombay High Court;
- 1.4 **“Demerger Record Date”** means the date to be fixed by the Board of Directors of Weizmann Limited for the purpose of determining the members of the Weizmann Limited to whom shares of Karma Wind Power Limited and Chanakya Holdings Limited will be allotted upon the Scheme becoming effective;
- 1.5 **“Effective Date”** means last of the dates on which the certified copies of the orders of the Hon'ble Bombay High Court or such other competent authority sanctioning the Scheme are filed with the Registrar of Companies at Mumbai

by the respective companies;

- 1.6 **"Forex Undertaking"** of WL means and includes the business of dealing in foreign exchange and comprising of:
- 1.6.1 All undertakings, entire business and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible, freehold or leasehold, of whatsoever nature and wheresoever situated) pertaining to the Forex Undertaking of Weizmann Limited as on the Demerger Appointed Date;
- 1.6.2 Liabilities, duties, obligations (whether real or contingent) relating to the Forex Undertaking of Weizmann Limited as on the Demerger Appointed Date; and
- 1.6.3 Without prejudice to the generality of the above, the Forex Undertaking shall include in particular:
- i. All property of or required for the Forex Undertaking of Weizmann Limited wherever situated, including all current assets, funds, plant & machinery, buildings, offices, structures, residential accommodations, capital work in progress, furniture, fixture, equipments, appliances, accessories, vehicles, investment;
 - ii. All patents, trade marks, trade names, copy rights, permits, quotas, rights, entitlements, industrial & other licenses, bids, tenders, letters of intent, expression of interest, development rights (whether vested or potential), municipal and other statutory permission, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office, bank accounts, lease rights, licenses, powers & facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connection with or relating to the Forex Undertaking of Weizmann Limited;
 - iii. All records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form and other records in connection with or relating to the Forex Undertaking of Weizmann Limited and all other interests of whatsoever nature 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 Weizmann Limited in connection with or relating to the said Forex Undertaking; and
 - iv. Debts, duties, obligations, and liabilities (including contingent liabilities) related to the Forex Undertaking of Weizmann Limited, all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Weizmann Limited, directly or indirectly in connection with or in relation to the Forex Undertaking.
 - v. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Forex Undertaking of Weizmann Limited as identified by Board of Directors are:
 - a) The liabilities which arise out of the activities or operations of the Forex Undertaking of Weizmann Limited.
 - b) Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Forex Undertaking of Weizmann Limited.
 - c) Liabilities other than those referred to in sub-clauses (a) and (b) above, if any, being the amount of general or multipurpose borrowings of Weizmann Limited, allocated to the total value of the Forex Undertaking in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of Weizmann Limited immediately before the Appointed Date.
 - vi. All employees of Weizmann Limited employed in the Forex Undertaking , as identified by the Board of Directors of Weizmann Limited , as on the Effective Date.
- 1.6.4 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Forex Undertaking of Weizmann Limited (i.e. the Forex Undertaking) or whether it arises out of the activities or operations of the Forex Undertaking of Weizmann Limited shall be decided by mutual agreement between the Boards of Directors or a Committee thereof of Weizmann Limited and CHL.
- 1.7 **'KEL' or 'the First Transferor Company'** means Karma Energy Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 26, Gobind Mahal, 86-B, Netaji Subhash Road, Marine Drive, Mumbai 400 002;
- 1.8 **'KWPL' or 'the Resulting Company No. 1'** means Karma Wind Power Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Empire House, 214 Dr D N Road, Ent A K Nayak Marg, Fort, Mumbai – 400 001;
- 1.9 **'Merger Appointed Date'** means April 1, 2009 or such other date as the Hon'ble Bombay High Court may direct / fix;
- 1.10 **'Power Undertaking'** of WL means and includes the business of generation and distribution of power especially through wind farms and hydel projects and comprising of:

- 1.10.1 All undertakings, entire business and all assets including investments in companies engaged in business of generation and distribution of power (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible, freehold or leasehold, of whatsoever nature and wheresoever situated) pertaining to the Power Undertaking of Weizmann Limited as on the Demerger Appointed Date;
- 1.10.2 Liabilities, duties, obligations (whether real or contingent) relating to the Power Undertaking of Weizmann Limited as on the Demerger Appointed Date; and
- 1.10.3 Without prejudice to the generality of the above, the Power Undertaking shall include in particular:
- i. All property of or required for the Power Undertaking of Weizmann Limited wherever situated, including all current assets, funds, investments which would include but without being limited to all investments of Weizmann Limited in companies engaged in the business of power generation, plant & machinery, buildings, offices, structures, residential accommodations, capital work in progress, furniture, fixture, equipments, appliances, accessories, vehicles;
 - ii. All patents, trade marks, trade names, copy rights, permits, quotas, rights, entitlements, industrial & other licenses, bids, tenders, letters of intent, expression of interest, development rights (whether vested or potential), municipal and other statutory permission, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office, bank accounts, lease rights, licenses, powers & facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connection with or relating to the Power Undertaking of Weizmann Limited ;
 - iii. All records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form and other records in connection with or relating to the Power Undertaking of Weizmann Limited and all other interests of whatsoever nature 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 Weizmann Limited in connection with or relating to the said Power Undertaking ; and
 - iv. Debts, duties, obligations, and liabilities (including contingent liabilities) related to the Power Undertaking of Weizmann Limited , all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Weizmann Limited , directly or indirectly in connection with or in relation to the Power Undertaking.
 - v. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Power Undertaking of Weizmann Limited are:
 - a) The liabilities which arise out of the activities or operations of the Power Undertaking of Weizmann Limited.
 - b) Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Power Undertaking of Weizmann Limited.
 - c) Liabilities other than those referred to in sub-clauses (a) and (b) above, if any, being the amount of general or multipurpose borrowings of Weizmann Limited, allocated to the total value of the Power Undertaking in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of Weizmann Limited immediately before the Appointed Date.
 - vi. All employees of Weizmann Limited employed in the Power Undertaking, as identified by the Board of Directors of Weizmann Limited, as on the Effective Date.
- 1.10.4 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Power Undertaking of Weizmann Limited (i.e. the Power Undertaking) or whether it arises out of the activities or operations of the Power Undertaking of Weizmann Limited shall be decided by mutual agreement between the Boards of Directors or a Committee thereof of Weizmann Limited and KWPL.
- 1.11 **'Remaining Business'** means all the remaining business of Weizmann Limited other than that of the Power Undertaking and Forex Undertaking;
- 1.12 **'The Resulting Companies'** means collectively KWPL and CHL;
- 1.13 **"Scheme"** means this Composite Scheme of Arrangement in its present form or with any modification(s) made under clause 36 of this Scheme as approved or directed by the Hon'ble High Court of Bombay or such other competent authority;
- 1.14 **'The Transferor Companies'** means collectively KEL and WFL;
- 1.15 **'WFL' or 'the Second Transferor Company'** means Weizmann Forex Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001;
- 1.16 **'WL' or 'the Transferee Company' or 'the Demerged Company'** means Weizmann Limited, a company incorporated

under the Companies Act, 1956 and having its Registered Office at Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001.

2. Share Capital

2.1 The Share Capital of KEL as per the last audited accounts as on March 31, 2009 is as under:

Particulars	Amount (Rs.)
1. <u>Authorised Capital</u>	
4,00,00,000 Equity Shares of Rs 10/- each	40,00,00,000
Total	40,00,00,000
2. <u>Issued, Subscribed and Paid-up</u>	
2,38,45,500 Equity Shares of Rs 10/- each fully paid-up	23,84,55,000
Total	23,84,55,000

Subsequent to the above balance sheet date, there has been no change in the Issued, Subscribed and Paid-up Capital of KEL. The entire Issued, Subscribed and Paid-up Capital of KEL is held by WL and its nominees.

2.2 The Share Capital of WFL as per the last audited accounts as on March 31, 2009 is as under:

Particulars	Amount (Rs.)
1. <u>Authorised Capital</u>	
1,05,00,000 Equity Shares of Rs 10/- each	10,50,00,000
Total	10,50,00,000
2. <u>Issued, Subscribed and Paid-up</u>	
1,00,01,070 Equity Shares of Rs 10/- each fully paid-up	10,00,10,700
Total	10,00,10,700

Subsequent to the above balance sheet date, there has been no change in the Issued, Subscribed and Paid-up Capital of WFL. As on date, WL holds 51,00,570 equity shares of WFL

2.3 The Share Capital of WL as per the last audited accounts as on March 31, 2009 is as under:

Particulars	Amount (Rs.)
1. <u>Authorised Capital</u>	
3,00,00,000 Equity Shares of Rs 10/- each	30,00,00,000
20,00,000 Preference Shares of Rs 100/- each	20,00,00,000
Total	500,000,000
2. <u>Issued, Subscribed and Paid-up</u>	
1,28,61,086 Equity Shares of Rs 10/- each fully paid-up	12,86,10,860
Total	12,86,10,860

Subsequent to the above balance sheet date, there has been no change in the Issued, Subscribed and Paid-up Capital of WL.

2.4 The Share Capital of KWPL as per the last audited accounts as on March 31, 2009 is as under:

Particulars	Amount (Rs.)
1. <u>Authorised Capital</u>	
10,000 Equity Shares of Rs 10/- each	1,00,000
Total	1,00,000
2. <u>Issued, Subscribed and Paid-up</u>	
10,000 Equity Shares of Rs 10/- each fully paid-up	1,00,000
Total	1,00,000

Subsequent to the above balance sheet date, there has been change in the Issued, Subscribed and Paid-up Capital of KWPL as follows:

Particulars	Amount (Rs.)
1. Authorised Capital	
50,000 Equity Shares of Rs 10/- each	5,00,000
Total	5,00,000
2. Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs 10/- each fully paid-up	5,00,000
Total	5,00,000

2.5 The Share Capital of CHL as per the last audited accounts as on March 31, 2009 is as under:

Particulars	Amount (Rs.)
1. Authorised Capital	
5,000 Equity Shares of Rs.100/- each	5,00,000
20,000 Preference Shares of Rs.100/- each	20,00,000
Total	25,00,000
2. Issued, Subscribed and Paid-up	
5,000 Equity Shares of Rs100/- each fully paid-up	5,00,000
Total	5,00,000

Subsequent to 31st March, 2009, the Authorised Preference Share Capital of CHL comprising of 20,000 Preference Shares of Rs.100/- each was regrouped and reclassified as 2,00,000 Equity Shares of Rs.10/- each. Further Authorised Equity Share Capital comprising of 5,000 Equity Shares of Rs.100/- each was also sub-divided into 50,000 Equity Shares of Rs.10/- each. Consequently, the paid up Equity Share Capital is also sub-divided in the face value of Rs. 10 each. The revised share capital of CHL as on date is as under:

Particulars	Amount (Rs.)
1. Authorised Capital	
2,50,000/- Equity Shares of Rs.10/- each	25,00,000
Total	25,00,000
2. Issued, Subscribed and Paid-up	
50,000/- Equity Shares of Rs10/- each fully paid-up	5,00,000
Total	5,00,000

3. Date of Taking Effect and Operative Date

3.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay shall be effective from the Merger/Demerger Appointed Date but shall be operative from the Effective Date.

PART B – AMALGAMATION

Amalgamation of the Transferor Companies with Transferee Company as a going concern shall be in the following manner:

4. Amalgamation of the Transferor Companies with the Transferee Company

4.1 Upon the coming into effect of the Scheme and with effect from the Merger Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of the Transferor Companies as a going concern including all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and / or in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies) such as industrial and other licences, permits, quotas, approvals, registrations, lease, tenancy rights in relation to office and residential properties, permissions, investments, buildings, plant and machinery, office equipments, vehicles, incentives if any, and all other rights, title,

interest, brand registrations, copyrights, patents, trademarks, trade names and other industrial or intellectual property rights of any nature whatsoever, contracts, agreements, consent, approvals or powers of every kind nature and description whatsoever shall under the provisions of Sections 391 to 394 and Sections 78, 100 to 103 of the Act and pursuant to the orders of the High Court sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in WL so as to become the properties, assets and liabilities of WL.

- 4.2 All statutory licences, permissions, approvals, registrations, power of attorneys or consents to carry on the operations of the Transferor Companies shall stand vested in or transferred to WL without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of WL upon the vesting and transfer of the undertakings of the Transferor Companies pursuant to this Scheme. The benefit of all statutory and regulatory permissions, or other licences and consents shall vest in and become available to WL pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies, as the case may be, are concerned, the same shall vest with and be available to WL on the same terms and conditions.
- 4.3 Provided that notwithstanding anything contained in any document, papers or writings executed by each of the Transferor Companies, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in WL by virtue of the Scheme and WL shall not be obliged to create any further, or additional security therefore as a condition for approval of the Scheme, after the Scheme has become effective or otherwise.
- 4.4 All debts, liabilities, duties and obligations of the Transferor Companies shall, without any further act or deed be and stand transferred to WL.
- 4.5 This Part B of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section 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 section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

5. Legal Proceedings

- 5.1 If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made.
- 5.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to in sub-clause 5.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 5.3 On and from the Effective Date, Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Companies even in respect of matters done prior to the Merger Appointed Date.

6. Contracts, Deeds, etc.

- 6.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements not limited to agreements with Western Union Financial Services Inc., American Express Travel Related Services Company Inc., Axis Bank Ltd., Citi Bank N.A., HDFC Bank Ltd., Reliance General Insurance Corporation Ltd., Bajaj Allianz Life Insurance Corporation Ltd., and other instruments, if any, of whatsoever nature relating to which, one or more of the Transferor Companies is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been party thereto. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

7. Saving of Concluded Transactions

- 7.1 The transfer of properties and liabilities to and/or the continuance of proceedings by/against the Transferee Company shall not affect any transaction or proceedings already concluded by any of the Transferor Companies on or after the Merger Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and

things done and executed by the Transferor Companies in regard thereto as done and executed by the Transferee Company on behalf of itself.

8. Conduct of Business till Effective Date

8.1 With effect from the Merger Appointed Date and upto the Effective Date:

8.1.1 The Transferor Companies shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire business and undertakings for and on account of and in trust for the Transferee Company;

8.1.2 All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and

8.1.3 The Transferor Companies shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into any new businesses, alienate, charge, mortgage, encumber, issue additional guarantees, indemnities, letters of comfort or otherwise deal with the assets or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of their employees in each case without the prior consent of the Transferee Company.

8.1.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company.

9. Employees of the Transferor Companies

9.1 All employees of the Transferor Companies, if any, in service on the date immediately preceding the Effective Date shall be deemed to be employed in the Transferee Company on such date and such employees shall be employed with the Transferee Company without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Companies as on the said date.

9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Companies shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees, if any, of the Transferor Companies who are currently serving the Transferee Company will be treated as having been continuous for the purpose of the said Fund or Funds.

10. Consideration

10.1 Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Companies in the Transferee Company, the equity share holders of the Transferor Companies or their respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of Members of the Transferor Companies on the Effective Date, shall, without any further act, deed or thing be allotted and issued, the Equity Shares of the Transferee Company in the following proportion viz:-

To the equity shareholders of WFL:

9 (Nine) equity shares of Rs. 10 each of the Transferee Company credited as fully paid up, for every 10 (Ten) equity shares of Rs. 10 each held by him/her/it in WFL, except to the extent of shares held by Transferee Company in WFL.

To the equity shareholders of KEL:

It is clarified that the entire Issued, Subscribed and Paid-up Capital of KEL is held by Transferee Company and its nominees and accordingly, no shares shall be issued by Transferee Company upon the amalgamation of KEL with itself.

10.2 Upon the Scheme becoming effective, the holders of equity shares of WFL shall be deemed to have become the members of the Transferee Company on the Effective Date without any further act, deed or thing.

10.3 The new equity shares in Transferee Company to be issued to the equity shareholders of WFL pursuant to clause 10.1 above shall be subject to the Memorandum and Articles of Association of WL and shall rank pari passu with the existing equity shares of WL, including dividend.

- 10.4 Upon new equity shares being issued and allotted by Transferee Company to the shareholders of WFL, in accordance with Clause 10.1, the share certificates in relation to the shares held by the said shareholders in WFL shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.
- 10.5 No coupons shall be issued in respect of fractional entitlements, if any, by Transferee Company, to the members of WFL at the time of issue and allotment of new equity shares under Clause 10.1. The board of directors of Transferee Company shall consolidate all fractional entitlements, if any, and allot new equity shares in lieu thereof to a director or such other authorized representative(s) as the board of directors of Transferee Company shall appoint in this behalf, who shall hold the New Equity Shares issued in Transferee Company, in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds, subject to taxes, if any, to the members in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.
- 10.6 The new equity shares shall be issued in dematerialized form to those shareholders who hold the shares of WFL in dematerialized form, provided all details relating to the account with the Depository Participant are available to the WFL/ Transferee Company. All those shareholders who hold shares in physical form shall be issued new equity shares in physical form unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the WFL/ Transferee Company or committee created thereof.
- 10.7 Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by Transferee Company of New Equity Shares to the members of the Transferor Companies under the Scheme.
- 10.8 The new equity shares of WL shall be listed on The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.
- 10.9 The issue and allotment of new equity shares to the members of WFL, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 81(1A) and any other provisions of the Act.
- 11. Accounting Treatment in the books of Transferee Company**
- 11.1 On the Scheme becoming effective Transferee Company shall account for the amalgamation in its books as under:
- 11.1.1 All assets recorded in the books of the Transferor Companies and transferred to and vested in the Transferee Company pursuant to the Scheme shall be recorded by the Transferee Company at their respective book values;
- 11.1.2 All the liabilities recorded in the books of the Transferor Companies and transferred to and vested in the Transferee Company pursuant to the Scheme shall be recorded by the Transferee Company at their respective book values;
- 11.1.3 Debit/credit balance in the reserves accounts of the Transferor Companies, including Profit & Loss Account, General Reserve, etc shall be debited/credited to the respective reserve account of the Transferee Company;
- 11.1.4 The investments made by the Transferee Company in the Equity Share Capital of the Transferor Companies, appearing in the books of account of the Transferee Company, shall stand cancelled;
- 11.1.5 If and to the extent there are inter-corporate loans, deposits or balances as between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall, on and from the appointed date, come to an end and corresponding suitable effect shall be given in the books of account and records of the Transferee Company;
- 11.1.6 The Transferee Company shall credit in its books of account, the face value of the equity shares issued to the equity shareholders of WFL pursuant to the Scheme, to the Share Capital Account.
- 11.1.7 The excess of the value of assets over the value of liabilities taken over of the Transferor Companies as adjusted for the face value of equity shares issued as per clause 10.1 and cancellation of investments in the equity capital of the Transferor Companies as per clause 11.1.3 shall be credited to the Amalgamation Reserve Account. In case of deficit, the same shall be debited to the 'Goodwill Account'.
- 11.1.8 The Transferee Company (by its Board of Directors) may alter or modify the provisions of this Clause 11, in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws and applicable Accounting Standards.
- 12. Dissolution of KEL and WFL**
- 12.1 On the Scheme becoming effective, KEL and WFL shall stand dissolved without being wound up.

PART C – DEMERGER OF POWER UNDERTAKING

13. Demerger of Power Undertaking of WL and vesting of the Power Undertaking in KWPL

13.1 With effect from the Demerger Appointed Date, the Power Undertaking of WL shall, pursuant to the provisions contained in Sections 391 to 394 and Sections 78, 100 to 103 and other applicable provisions, if any, of the Act, without any further act, deed, matter or thing, be demerged and transferred to and vest in and / or be deemed to be transferred to and vested in KWPL as a going concern, as contemplated in Section 2(19AA) of the Income Tax Act, 1961, in the following manner:

13.1.1 With effect from the Demerger Appointed Date, Power Undertaking of WL, shall, under the provisions of Sections 391 to 394 and Sections 78, 100 to 103 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in KWPL so as to vest in KWPL the right, the title & the interest of Power Undertaking of WL therein.

13.1.2 Provided that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to WL in respect of Power Undertaking, which shall vest in KWPL by virtue of the arrangement and KWPL shall not be obliged to create any further, or additional security thereof after the arrangement has become effective or otherwise. The transfer and vesting of the Power Undertaking as aforesaid, shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof relating to the Power Undertaking.

13.1.3 At the option of Board of Directors of WL and KWPL, the transfer referred in para 13.1 above shall be carried out as follows;

- i) All the movable assets of the Power Undertaking including Plant & machinery, investments, cash on hand, etc. that are movable in nature or otherwise capable of being transferred by physical delivery or by endorsement or delivery, the same shall be transferred by WL by effecting such delivery or endorsement and shall become the property of the KWPL accordingly.
- ii) In respect of movable assets, other than those specified in sub clause (i) above, including sundry debtors, outstanding loans, recoverable in cash in kind or value to be received, bank balances and deposits the following *modus operandi* shall be followed;
 - (a) WL shall give notice in such form as they may deem fit and proper to each party, debtor or depositor, as the case may be, that pursuant to the High Court or such other competent authority as the case may be having sanctioned the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of KWPL as the person entitled thereto to the end and intent that the right of WL to recover or realize the same stands extinguished. KWPL may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court or such other competent authority as the case may be, having sanctioned the Scheme the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of KWPL to recover or realize the same is in substitution of the right WL.
- iii) With effect from the Demerger Appointed Date all debts, liabilities (including contingent liabilities), duties and obligations of the Power Undertaking of WL of every description shall without any further act or deed be and stand transferred to KWPL so as to become as from the Demerger Appointed Date, the debts, liabilities, duties and obligations of KWPL 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 debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-Clause.

Except otherwise specifically provided in this Scheme, with effect from the Demerger Appointed Date, all debts, liabilities, duties and obligations of WL pertaining to the Power Undertaking as on the Demerger Appointed Date whether or not provided in the books of WL and all other liabilities of WL which arise or accrue on or after the Demerger Appointed Date but which relate to the period on or upto the Demerger Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of KWPL.

14. Taxation

14.1 It is clarified that all taxes payable by WL, relating to the Power Undertaking, from the Demerger Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of KWPL.

14.2 Credit for the advance income tax paid by WL (relating to the Power Undertaking) after the Demerger Appointed Date to the tax authorities shall be transferred to KWPL. Similarly, KWPL shall also be entitled to tax credits in respect of the TDS on payments received by WL and KEL, after the Demerger Appointed Date and related to the Power Undertaking.

14.3 WL and KWPL are expressly permitted to revise their Income tax Returns and related TDS certificates and the right to claim refund, advance tax credits, etc. upon this Scheme becoming effective and have expressly reserved the right

to make such revision in the Income Tax Returns and related TDS certificates and the right to claim refund, advance tax credits etc., in relation to Power Undertaking pursuant to the sanction of the Scheme.

- 14.4 Any returns filed by Transferee Company with the State Government for VAT or Sales Tax matters, with Service Tax / Excise Authorities and Income Tax Authorities of the Central Government in relation to Power Undertaking shall be deemed to have been filed for and on behalf of KWPL.

15. Consideration

- 15.1 Upon the Scheme becoming effective, in consideration of the transfer and vesting of the Power Undertaking in KWPL in terms of the Scheme, KWPL shall, without any further application, act or deed, issue and allot to the equity shareholders of WL as on the Demerger Record Date, including the erstwhile members of the Transferor Companies who have been allotted the shares of the Transferee Company as provided in clause 10.1 above, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of Members of Transferee Company after giving effect to the amalgamation of the Transferor Companies into WL, in its capital at par, credited as paid up to the extent indicated below and in the following proportion viz.:-

- 15.1.1 Every equity shareholder of WL reckoned after giving effect to the amalgamation of the Transferor Companies into WL shall, without any further act or deed, be entitled to and be allotted equity shares of KWPL in the proportion of 2 equity shares of Rs. 10 each credited as fully paid up, for every 3 equity shares held or deemed to be held by him/her/it in WL.
- 15.2 KWPL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of equity shares to the members of WL under the Scheme.
- 15.3 The equity shares to be issued by KWPL shall, subject to the execution of the listing agreement and payment of the appropriate fee, be listed on The Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- 15.4 The equity shares of KWPL will be issued in dematerialised form to those equity shareholders who hold the shares of WL in dematerialised form, provided all details relating to the account with the depository participant are available to KWPL. All those equity shareholders who hold shares of WL in physical form will be issued equity shares of KWPL in the physical form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of WL / KWPL or committee thereof.
- 15.5 KWPL, shall, to the extent required, increase its Authorised Share Capital in order to issue equity shares under this Scheme.
- 15.6 No coupons shall be issued in respect of fractional entitlements, if any, by KWPL, to the members of WL at the time of issue and allotment of new equity shares under Clause 15.1. The board of directors of KWPL shall consolidate all fractional entitlements, if any, and allot new equity shares in lieu thereof to a director or such other authorized representative(s) as the board of directors of KWPL shall appoint in this behalf, who shall hold the New Equity Shares issued in KWPL, in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to KWPL, the net sale proceeds thereof, whereupon KWPL shall distribute such net sale proceeds, subject to taxes, if any, to the members in proportion to their respective fractional entitlements. The Board of Directors of KWPL, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.
- 15.7 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of WL, the Board of Directors or any committee of KWPL shall be empowered even subsequent to the Demerger Record Date, to effectuate such transfer as if such changes in the registered holder were operative from the Demerger Record Date.
- 15.8 The new equity shares in KWPL to be issued will be subject to the Memorandum and Articles of Association of KWPL and shall rank pari passu with the existing equity shares of KWPL including dividend.
- 15.9 The equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- 15.10 There will be no change in the shareholding pattern or control in KWPL between the Demerger Record Date and date of listing of such shares.

16. Accounting Treatment

- 16.1 In the books of KWPL:
- 16.1.1 All assets and liabilities related to the Power Undertaking as appearing in the books of account of WL as on the Demerger Appointed Date shall stand transferred to and vested in KWPL pursuant to the Scheme and shall be recorded by KWPL at their respective book values as appearing in the books of WL.

- 16.1.2 KWPL shall credit in its books of account, the face value of the equity shares issued to the equity shareholders of WL pursuant to the Scheme, to the Share Capital Account.
- 16.1.3 Difference arising pursuant to the above accounting treatment would be either debited to Goodwill Account / credited to General Reserve Account, as the case may be, of KWPL.
- 16.1.4 KWPL (by its Board of Directors) may alter or modify the provisions of this Clause 16.1, in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws, the Income Tax Act and applicable Accounting Standards.
- 16.2 In the books of WL:
- 16.2.1 The difference between the book value of assets and the book values of the liabilities as appearing in the Balance Sheet of WL and transferred as a part of the Power Undertaking to KWPL would be debited first to the Capital Reserve Account, then to Share Premium Account then to General Reserve Account, then to the balance in Profit & Loss Account and balance, if any, to Goodwill Account of WL. If the net result is a credit then the same shall be credited to General Reserve account of WL.
- 16.2.2 WL (by its Board of Directors) may alter or modify the provisions of this Clause 16.2, in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws, the Income Tax Act and applicable Accounting Standards.
- 17. Change in Name**
- 17.1 Upon the Scheme becoming effective, without any further act or deed, KWPL shall be re-named as Karma Energy Limited. Necessary forms shall be filed with the Registrar of Companies to effectuate the above change of name
- 18. Conduct of Business Until Effective Date**
- 18.1 With effect from the Demerger Appointed Date and upto and including the Effective date;
- i) WL, in respect of the Power Undertaking shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for KWPL. WL hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- ii) WL in respect of the Power Undertaking shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of KWPL, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its Power Undertaking or any part thereof except in the ordinary course of business nor shall it undertake any new businesses or a substantial expansion of its existing Power Undertaking.
- iii) All profits or income accruing or arising to WL in respect of the Power Undertaking or expenditure or losses arising to or incurred by Transferee Company in respect of the Power Undertaking, with effect from the said Appointed Date shall for all purpose and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or loses, as the case may be, of KWPL.
- 19. Legal Proceedings**
- 19.1 If any suit, appeal or other legal proceedings of whatsoever nature by or against the Power Undertaking of WL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against KWPL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against WL as if this Scheme had not been made.
- 19.2 After the Demerger Appointed Date, if any proceedings are taken against WL in respect of the Power Undertaking, WL shall defend the same at the cost of KWPL. KWPL shall reimburse and indemnify against all liabilities and obligations incurred by WL in respect of the Power Undertaking.
- 19.3 On and from the Effective Date, KWPL shall and may, if required, initiate any legal proceedings in relation to the Power Undertaking even in respect of matters done prior to the Demerger Appointed Date.
- 20. Contracts, Deeds, etc.**
- 20.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to the Power Undertaking and to which WL is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of KWPL as fully and effectually as if, instead of WL, KWPL had been party thereto. KWPL shall, in respect of the Power Undertaking, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which WL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, KWPL shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of WL and in relation to the Power Undertaking to implement or carry out all formalities required on the part of WL to give effect to the provisions of this Scheme.

21. Employees of the Power Undertaking

- 21.1 All employees of the Power Undertaking of WL who are in service on the date immediately preceding the date on which the Scheme finally takes effect, (i.e. the Effective Date) shall be deemed to be employed in KWPL on such date and such employees shall be employed with KWPL without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Power Undertaking of WL as on the said date.
- 21.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Power Undertaking of WL shall become trusts/funds of KWPL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of WL in relation to such Fund or Funds shall become those of KWPL. It is clarified that the services of the staff, workmen and employees of the Power Undertaking of WL which are employed with KWPL will be treated as having been continuous for the purpose of the said Fund or Funds.

22. Savings of concluded transactions

- 22.1 The transfer and vesting of the Power Undertaking in terms of clause 13 above and the continuance of proceedings by or against WL in respect of the Power Undertaking under clause 19 above shall not affect any transaction or proceedings already concluded by WL in respect of the Power Undertaking, on or after the Demerger Appointed Date to the end and intent that KWPL accepts and adopts all acts, deeds and things done and executed by WL in regard thereto as done and executed by KWPL on behalf of itself.

PART D – DEMERGER OF FOREX UNDERTAKING

23. Demerger of Forex Undertaking of WL and Vesting of the Forex Undertaking in CHL

- 23.1 With effect from the Demerger Appointed Date, the Forex Undertaking of WL shall, pursuant to the provisions contained in Sections 391 to 394 and Sections 78, 100 to 103 and other applicable provisions, if any, of the Act, without any further act, deed, matter or thing, be demerged and transferred to and vest in and / or be deemed to be transferred to and vested in CHL as a going concern, as contemplated in Section 2(19AA) of the Income Tax Act, 1961, in the following manner:
- 23.1.1 With effect from the Demerger Appointed Date, Forex Undertaking of WL, shall, under the provisions of Sections 391 to 394 and Sections 78, 100 to 103 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in CHL so as to vest in CHL the right, the title & the interest of Forex Undertaking of WL therein.
- 23.1.2 Provided that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to WL in respect of Forex Undertaking, which shall vest in CHL by virtue of the arrangement and CHL shall not be obliged to create any further, or additional security thereof after the arrangement has become effective or otherwise. The transfer and vesting of the Forex Undertaking as aforesaid, shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof relatable to the Forex Undertaking.
- 23.1.3 At the option of Board of Directors of WL and CHL, the transfer referred in para 23.1 above shall be carried out as follows;
- i) All the movable assets of the Forex Undertaking including Plant & machinery, investments, cash on hand, etc. that are movable in nature or otherwise capable of being transferred by physical delivery or by endorsement or delivery, the same shall be transferred by WL by effecting such delivery or endorsement and shall become the property of the CHL accordingly.
 - ii) In respect of movable assets, other than those specified in sub clause (i) above, including sundry debtors, outstanding loans, recoverable in cash in kind or value to be received, bank balances and deposits the following modus operandi shall be followed;
 - (a) WL shall give notice in such form as they may deem fit and proper to each party, debtor or depositor, as the case may be, that pursuant to the High Court or such other competent authority as the case may be having sanctioned the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of CHL as the person entitled thereto to the end and intent that the right of WL to recover or realize the same stands extinguished. CHL may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court or such other competent authority as the case may be, having sanctioned the Scheme the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and

that the right of CHL to recover or realize the same is in substitution of the right of WL.

- iii) With effect from the Demerger Appointed Date all debts, liabilities (including contingent liabilities), duties and obligations of the Forex Undertaking of WL of every description shall without any further act or deed be and stand transferred to CHL so as to become as from the Demerger Appointed Date, the debts, liabilities, duties and obligations of CHL 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 debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-Clause.
- iv) Except otherwise specifically provided in this Scheme, with effect from the Demerger Appointed Date, all debts, liabilities, duties and obligations of WL pertaining to the Forex Undertaking as on the closure of business on the date preceding the Demerger Appointed Date whether or not provided in the books of WL and all other liabilities of WL which arise or accrue on or after the Appointed Date but which relate to the period on or upto the Demerger Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of CHL.

24. Taxation

- 24.1 It is clarified that all taxes payable by WL, relating to the Forex Undertaking, from the Demerger Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of CHL.
- 24.2 Credit for the advance income tax paid by WL (relating to the Forex Undertaking) after the Demerger Appointed Date to the tax authorities shall be transferred to CHL. Similarly, CHL shall also be entitled to tax credits in respect of the TDS on payments received by WL and WFL, after the Demerger Appointed Date and related to the Forex Undertaking.
- 24.3 WL and CHL are expressly permitted to revise their Income tax Returns and related TDS certificates and the right to claim refund, advance tax credits, etc. upon this Scheme becoming effective and have expressly reserved the right to make such revision in the Income Tax Returns and related TDS certificates and the right to claim refund, advance tax credits etc., in relation to Forex Undertaking pursuant to the sanction of the Scheme.
- 24.4 Any returns filed by WL with the State Government for VAT or Sales Tax matters, with Service Tax / Excise Authorities and Income Tax Authorities of the Central Government in relation to Forex Undertaking shall be deemed to have been filed for and on behalf of CHL.

25. Consideration

- 25.1 Upon the Scheme becoming effective, in consideration of the transfer and vesting of the Forex Undertaking in CHL in terms of the Scheme, CHL shall, without any further application, act or deed, issue and allot to the equity shareholders of WL as on the Demerger Record Date Including the erstwhile members of the Transferor Companies who have been allotted the Transferee Company as provided in clause 10.1 above, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of Members of WL after giving effect to the amalgamation of the Transferor Companies into WL, in its capital at par, credited as paid up to the extent indicated below and in the following proportion viz:
 - 25.1.1 Every equity shareholder of WL reckoned after giving effect to the amalgamation of the Transferor Companies into WL shall, without any further act or deed, be entitled to and be allotted equity shares of CHL in the proportion of 2 equity shares of Rs. 10 each credited as fully paid up, for every 3 equity shares held or deemed to be held by him/her/it in WL.
- 25.2 CHL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of equity shares to the members of WL under the Scheme.
- 25.3 The equity shares to be issued by CHL shall, subject to the execution of the listing agreement and payment of the appropriate fee, be listed on The Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- 25.4 The equity shares of CHL will be issued in dematerialised form to those equity shareholders who hold the shares of WL in dematerialised form, provided all details relating to the account with the depository participant are available to CHL. All those equity shareholders who hold shares of WL in physical form will be issued equity shares of CHL in the physical form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of WL / CHL or committee thereof.
- 25.5 CHL, shall, to the extent required, increase its Authorised Share Capital in order to issue equity shares under this Scheme.
- 25.6 No coupons shall be issued in respect of fractional entitlements, if any, by CHL, to the members of WL at the time of issue and allotment of new equity shares under Clause 25.1. The board of directors of CHL shall consolidate all fractional entitlements, if any, and allot new equity shares in lieu thereof to a director or such other authorized representative(s) as the board of directors of CHL shall appoint in this behalf, who shall hold the New Equity Shares

issued in CHL, in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to CHL, the net sale proceeds thereof, whereupon CHL shall distribute such net sale proceeds, subject to taxes, if any, to the members in proportion to their respective fractional entitlements. The Board of Directors of CHL, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

- 25.7 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of WL, the Board of Directors or any committee of WL shall be empowered even subsequent to the Demerger Record Date, to effectuate such transfer as if such changes in the registered holder were operative from the Demerger Record Date.
- 25.8 The new equity shares in CHL to be issued will be subject to the Memorandum and Articles of Association of CHL and shall rank pari passu including dividend.
- 25.9 The equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- 25.10 There will be no change in the shareholding pattern or control in CHL between the Demerger Record Date and date of listing of such shares.

26. Accounting Treatment

26.1 In the books of CHL:

- 26.1.1 All assets and liabilities related to the Forex Undertaking as appearing in the books of account of WL as on the Demerger Appointed Date shall stand transferred to and vested in CHL pursuant to the Scheme and shall be recorded by CHL at their respective book values as appearing in the books of WL.
- 26.1.2 CHL shall credit in its books of account, the face value of the equity shares issued to the equity shareholders of WL pursuant to the Scheme, to the Share Capital Account.
- 26.1.3 Difference arising pursuant to the above accounting treatment would be either debited to Goodwill Account / credited to General Reserve Account, as the case may be, of CHL.
- 26.1.4 CHL (by its Board of Directors) may alter or modify the provisions of this Clause 26.1, in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws, the Income Tax Act and applicable Accounting Standards.

26.2 In the books of WL:

- 26.2.1 The difference between the book value of assets and the book values of the liabilities as appearing in the Balance Sheet of WL and transferred as a part of the Forex Undertaking to CHL would be debited first to the Capital Reserve Account, Share Premium Account then to General Reserve Account, then to the balance in Profit & Loss Account and balance, if any, to Goodwill Account of WL. If the net result is a credit then the same shall be credited to General Reserve account of WL.
- 26.2.2 WL (by its Board of Directors) may alter or modify the provisions of this Clause 26.2, in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws, the Income Tax Act and applicable Accounting Standards.

27. Change in Name

- 27.1 Upon the Scheme becoming effective, without any further act or deed, the CHL shall be re-named as Weizmann Forex Limited. Necessary forms shall be filed with the Registrar of Companies to effectuate the above change of name.

28. Conduct of Business Until Effective Date

- 28.1 With effect from the Demerger Appointed Date and upto and including the Effective date;

- i) WL, in respect of the Forex Undertaking shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for CHL. WL hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- ii) WL in respect of the Forex Undertaking shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of CHL, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its Forex Undertaking or any part thereof except in the ordinary course of business nor shall it undertake any new businesses or a substantial expansion of its existing Forex Undertaking.
- iii) All profits or income accruing or arising to WL in respect of the Forex Undertaking or expenditure or losses arising to or incurred by WL in respect of the Forex Undertaking, with effect from the said Appointed Date shall for all purpose and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses, as the case may be, of CHL.

29. Legal Proceedings

- 29.1 If any suit, appeal or other legal proceedings of whatsoever nature by or against the Forex Undertaking of WL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against CHL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against WL as if this Scheme had not been made.
- 29.2 After the Demerger Appointed Date, if any proceedings are taken against WL in respect of the Forex Undertaking, WL shall defend the same at the cost of CHL. CHL shall reimburse and indemnify against all liabilities and obligations incurred by WL in respect of the Forex Undertaking.
- 29.3 On and from the Effective Date, CHL shall and may, if required, initiate any legal proceedings in relation to the Forex Undertaking even in respect of matters done prior to the Demerger Appointed Date.

30. Contracts, Deeds, etc.

- 30.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to the Forex Undertaking and to which WL is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of CHL as fully and effectually as if, instead of WL, CHL had been party thereto. CHL shall, in respect of the Forex Undertaking, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which WL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, CHL shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of WL and in relation to the Forex Undertaking to implement or carry out all formalities required on the part of WL to give effect to the provisions of this Scheme.

31. Employees of the Forex Undertaking

- 31.1 All employees of the Forex Undertaking of WL who are in service on the date immediately preceding the date on which the Scheme finally takes effect, (i.e. the Effective Date) shall be deemed to be employed in CHL on such date and such employees shall be employed with CHL without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Forex Undertaking of WL as on the said date.
- 31.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Forex Undertaking of WL shall become trusts/funds of CHL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of WL in relation to such Fund or Funds shall become those of CHL. It is clarified that the services of the staff, workmen and employees of the Forex Undertaking of WL which are employed with CHL will be treated as having been continuous for the purpose of the said Fund or Funds.

32. Savings of concluded transactions

- 32.1 The transfer and vesting of the Forex Undertaking in terms of clause 23 above and the continuance of proceedings by or against WL in respect of the Forex Undertaking under clause 29 above shall not affect any transaction or proceedings already concluded by WL in respect of the Forex Undertaking, on or after the Appointed Date to the end and intent that CHL accepts and adopts all acts, deeds and things done and executed by WL in regard thereto as done and executed by CHL on behalf of itself.

PART E – GENERAL TERMS

33. Dividend

- 33.1 With effect from the date of filing this Scheme, the Transferor Companies, Demerged Company and Resulting Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date with the prior approval of the Board of Directors of the Demerged Company.
- 33.2 The holders of the shares of the Transferor Companies, the Demerged Company and the Resulting Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- 33.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies, the Demerged Company and the Resulting Companies to demand or claim any dividends which, subject to the provisions of the said Act, shall be

entirely at the discretion of the respective Boards of Directors of the Demerged Company and the Resulting Company respectively, and subject to the approval of the shareholders of the Demerged Company and the Resulting Companies respectively.

34. Conditionality of the Scheme

34.1 This Scheme is and shall be conditional upon and subject to:

34.1.1 Approval of and agreement to the Scheme by the requisite majority of the respective members of and such class of persons of the Transferor Companies, WL, KWPL and CHL as may be directed by the High Courts of Judicature at Bombay;

34.1.2 Sanctions and Orders under the provisions of Section 391 to 394 and Sections 78, 100 to 103 of the Act being obtained by the Transferor Companies, WL, KWPL and CHL from the High Courts of Judicature at Bombay;

34.1.3 Amalgamation of WFL into WL and demerger of Forex Undertaking into CHL shall be subject to necessary consents / approvals if any required to be obtained from Reserve Bank of India or any such competent authority or in any other manner as Board of Directors of WFL, WL and CHL may agree.

34.1.4 Certified copies of Orders of High Court of Judicature at Bombay, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai; and

34.1.5 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

35. Applications to High Courts or such other Competent Authority

35.1 The Transferor Companies shall, with all reasonable dispatch, make applications / petitions under Section 391 and 394 and Sections 78, 100 to 103 and other applicable provisions of the Act to the High Court of Judicature at Bombay where the registered offices of the Transferor Companies are situated or to such other competent authority for sanction of this Scheme and for dissolution of the Transferor Companies without being wound up.

35.2 WL, KWPL and CHL shall, with all reasonable dispatch, make applications / petitions under Section 391 and 394 and Sections 78, 100 to 103 and other applicable provisions of the Act to the High Court of Judicature at Bombay where the registered offices of WL, KWPL and CHL situated or to such other competent authority for sanction of this Scheme.

36. Modifications or amendments to the Scheme

36.1 The Transferor Companies, WL, KWPL and CHL by their respective Board of Directors or a Committee thereof may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors or Committee thereof). The Transferor Companies, WL KWPL and CHL by their respective Board of Directors or Committee 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 other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

37. Utilization of Share Premium Account of Transferee Company

37.1 The application and consequential reduction of the Share Premium Account, as contemplated under the Scheme, shall be effected as an integral part of the Scheme itself 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 and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction without the need on the part of the Transferee Company to carry out any further act or deed

38. Effect of non receipt of approvals

38.1 In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Transferor Companies, WL, KWPL and CHL shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement or in case this Scheme is not sanctioned by the High Court of Judicature at Bombay or does not otherwise become effective by December 31, 2010, or within such further period or periods as may be agreed upon between the Transferor Companies, WL KWPL and CHL through their respective Board of Directors, then the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

39. Costs, Charges and Expenses

39.1 WL, KWPL and CHL shall bear and pay equally all common costs, charges, expenses, taxes including duties, levies in connection with the Scheme. Specific cost in relation to the Scheme, pertaining to each of the companies, shall be borne by the respective companies.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 446 OF 2010**

In the matter of the Companies Act, 1956 (1 of 1956);

-And-

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 of the Companies Act, 1956;

-And-

In the matter of the Composite Scheme of Arrangement between Karma Energy Limited ("First Transferor Company") and Weizmann Forex Limited ("Second Transferor Company") and Weizmann Limited ("Transferee Company/Demerged Company") and Karma Wind Power Limited ("Resulting Company No 1") and Chanakya Holdings Limited ("Resulting Company No 2");

-And-

their respective shareholders.

WEIZMANN LIMITED, a company incorporated under the Companies Act, 1956)
having its registered office at Empire House, 214, Dr. D. N. Road,)
Ent A K Nayak Marg, Fort, Mumbai 400 001.)**Applicant Company**

FORM OF PROXY

I/We the undersigned, being Equity Shareholder(s) of Weizmann Limited, the Applicant Company do hereby appoint Mr./Ms _____ of _____ and failing him/her Mr./Ms _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Orion House, 6th Floor, Maharashtra Chamber of Commerce Path, Kalaghoda, Fort, Mumbai – 400 001 on Friday, 6th day of August, 2010 at 11.00 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the Composite Scheme of Arrangement between Karma Energy Limited and Weizmann Forex Limited and Weizmann Limited and Karma Wind Power Limited and Chanakya Holdings Limited and their respective shareholders under sections 391 to 394 read with Sections 78 and 100 to 103 of the Companies Act, 1956 and also by a separate special resolution under Section 100 of the Companies Act, 1956 for reduction of Share Premium Account of the Applicant Company and at such meeting, and any adjournment/ adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here if 'for' insert 'for', if 'against' insert 'against' and in the latter case strike out the words "either with or without modifications" after the word "the Scheme of Arrangement") the said Scheme of Arrangement either with or without modifications as my/our proxy may approve.

Dated this _____ day of _____, 2010

Name: _____

Address: _____

Folio No. _____

Client ID No.* _____

DP ID No. _____

No. of shares _____

After
Re. 1/-
Revenue
Stamp

Signature across the stamp

Signature of Shareholder(s): Sole holder/First holder: _____

Second Holder: _____

Third Holder: _____

Signature of Proxy: _____

Notes:

- 1) Please affix revenue stamp before putting signatures.
- 2) All alterations made in the form of Proxy should be initialed.
- 3) The Proxy must be deposited at the Registered Office of the Company at Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001 at least 48 hours before the time for holding the meeting.
- 4) The proxy need not be a member of the Applicant Company.
- 5) In case of multiple proxies, the proxy later in time shall be accepted.
- 6) *Applicable for the investors holding shares in the dematerialised form



WEIZMANN
L I M I T E D

Registered Office : Empire House, 214, Dr. D. N. Road, Ent A K Nayak Marg, Fort, Mumbai 400 001
Tel. No. +91-22-22071501, Fax +91-22-22071512, E-mail: - weizmann@bom3.vsnl.net.in

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP ID*	
--------	--

Folio No.	
-----------	--

Client ID*	
------------	--

No of Share(s) held	
---------------------	--

Name and Address of the Equity Shareholder / Proxy Holder

I hereby record my presence at the Meeting of the Equity Shareholders of the Company, convened pursuant to the Order dated 25th day of June, 2010 of the High Court of Judicature at Bombay, at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, Maharashtra Chamber of Commerce Path, Kalaghoda, Fort, Mumbai – 400 001 on Friday, 6th day of August, 2010 at 11.00 a.m..

SIGNATURE OF THE EQUITY SHAREHOLDER / PROXY HOLDER

NOTES:

1. Shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.
2. *Applicable for the investors holding shares in the dematerialised form
3. Shareholders who come to attend meeting are requested to bring with them copy of the Composite Scheme of Arrangement.

Book Post / U.C.P.

Name and Complete Postal Address

If Undelivered please return to :

Weizmann Limited

Registered Office:

Empire House, 214,

Dr. D. N. Road, Ent A K Nayak Marg,

Fort, Mumbai 400 001