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Annexure
SCHEME OF ARRANGEMENT

BETWEEN

GULF OIL CORPORATION LIMITED

AND

GULF OIL LUBRICANTS INDIA LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

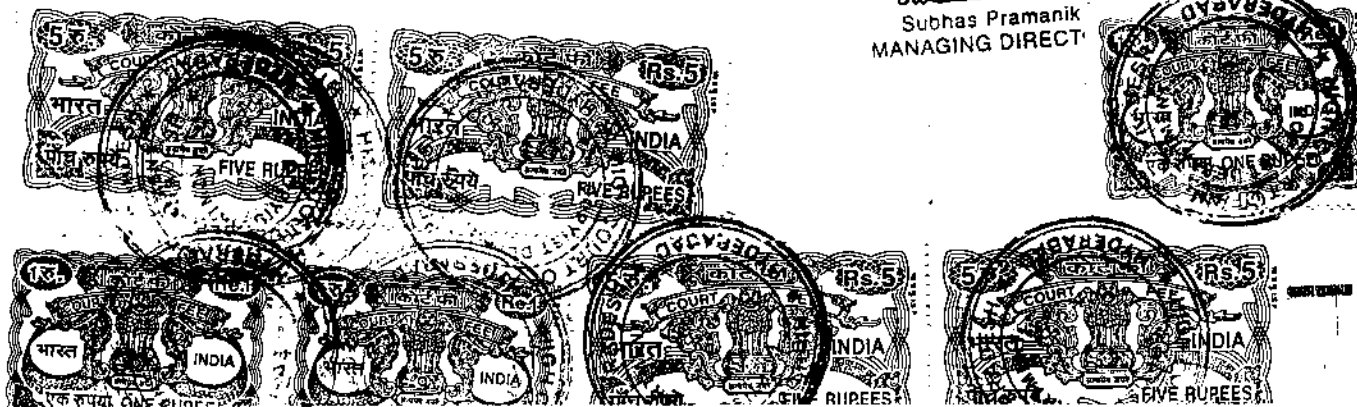
UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78, 100 TO 104 OF THE
COMPANIES ACT, 1956

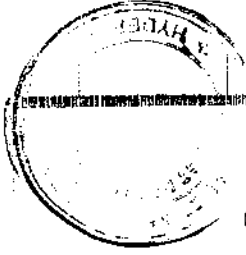
A: PREAMBLE

1. Gulf Oil Corporation Limited ('GOCL') is a public limited company incorporated on 20th April 1961 under the provisions of the Companies Act, 1956, having its registered office at Kukatpally, Sanathnagar (IE), PO, Hyderabad - 500 018. The equity shares of the Demerged Company (as defined hereinafter) are listed on the BSE Limited and the National Stock Exchange of India Limited. GOCL is primarily engaged in following businesses / divisions as set out below:
- (i) **Lubricants** - Business of the erstwhile Gulf Oil India Limited, was established in the year 1993 primarily to manufacture, market and render technical services in lubricating oils, greases, auto accessories and car care products (merged with GOCL in the year 2002). The Division is a regular supplier to almost all the major automobile and tractor manufacturers in the country and is approved by almost all major original equipment manufacturers;
 - (ii) **Industrial Explosives** - Primarily engaged in the business of manufacturing, marketing and technical services in industrial explosives, detonating accessories, and special devices for Defence and Space applications;
 - (iii) **Mining and Infrastructure Contracts** - Under this business, GOCL undertakes large scale mining services in coal, iron ore, limestone and uranium mines. GOCL also undertakes contracts in the infrastructure sector such as underground metro railways, elevated highways, industrial structures / buildings;

For GULF OIL Corporation Ltd.

Subhas Pramanik
Subhas Pramanik
MANAGING DIRECTOR





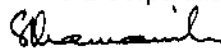
(iv) **Property Development** – GOCL typically develops large properties owned by it into special economic zones, industrial parks and commercial conglomerates.

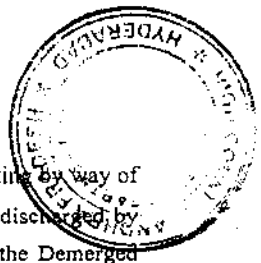
2. Gulf Oil Lubricants India Limited (formerly known as Hinduja Infrastructure Limited) ('GOLIL') is a company incorporated under the Act (as defined hereinafter), having its registered office at c/o Gulf Oil Corporation Limited, Kukatpally, Sanathnagar (IE) PO, Hyderabad – 500 018. The Resulting Company (as defined hereinafter) is currently a wholly owned subsidiary of GOCL.

Rationale of the Scheme

3. In order to achieve efficiency of operations and management and with the intent of realigning the business operations undertaken by the Demerged Company, the management of Demerged Company has decided to concentrate on, and strengthen its core competencies and have greater focus and create more value for the Lubricants Undertaking (as defined hereinafter), in the interests of maximizing overall shareholder value.
4. Therefore, with a view to effect such plan, the Board of Directors of Demerged Company and the Resulting Company proposes that the Lubricants Undertaking of the Demerged Company be transferred to and vested in the Resulting Company on a going concern basis to be undertaken through this Scheme (as defined hereinafter) under the provisions of Sections 391-394 read with Sections 78, 100 to 104 of the Act and other relevant provisions of the Act, for such consideration and in such manner as provided for in this Scheme (as defined hereinafter).
5. Accordingly, this Scheme under Sections 391 to 394 read with Sections 78, 100 to 104 of the Act, has been proposed to provide for transfer of Lubricants Undertaking of the Demerged Company by way of demerger to the Resulting Company and reduction of capital of Demerged Company by such extent deemed necessary.
6. Upon the sanction of the Scheme by the High Court (as defined hereinafter) and the Scheme becoming effective on the Effective Date (as defined hereinafter), the Lubricants Undertaking of the Demerged Company shall stand transferred to, and be vested in, the Resulting Company on and from the Appointed Date for all intent and purposes.
7. This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.
8. The Scheme is divided into following parts:
- (i) **Part I** deals with the Definitions and Share Capital of the Demerged Company and Resulting Company;

For GULF OIL Corporation Ltd.


Subhas Pramanik
MANAGING DIRECTOR



- (ii) Part II deals with the mechanics of the transfer of the Lubricants Undertaking by way of a demerger of business on a going concern basis for consideration being discharged by way of issue of shares of the Resulting Company to the shareholders of the Demerged Company including reduction of capital of the Resulting Company and reduction in capital and reserves of the Demerged Company desired to give effect to the demerger;
- (iii) Part III deals with General Terms and Conditions.

9. The Demerger of the Lubricants Undertaking (also referred to as "the Demerged Undertaking") from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:

- (i) all the properties of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the properties of the Resulting Company by virtue of such Demerger;
- (ii) all the liabilities relating to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the liabilities of the Resulting Company by virtue of such Demerger;
- (iii) the properties and the liabilities relating to the Demerged Undertaking being transferred by Demerged Company shall be transferred to the Resulting Company at the values appearing in the books of account of Demerged Company immediately before the Demerger. For this purpose, any change in the value of assets consequent to their revaluation, if any, shall be ignored;
- (iv) the Resulting Company shall issue, in consideration of the Demerger, shares to the shareholders of Demerged Company on a proportionate basis;
- (v) Shareholders holding at least 75% value of shares of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the Demerger, otherwise than as a result of the acquisition of the property or assets of the Demerged Company or any undertaking thereof by Demerged Company; and
- (vi) the transfer of the Demerged Undertaking shall be on a going concern basis.

10. This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the said provisions at a later date, including resulting from an amendment of law or for any other reason whatsoever and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect other parts of the Scheme.

For GULF OIL Corporation Ltd.
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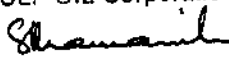
PART I- DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as provided anywhere in the body of this Scheme and as defined in this Part I:

- (a) "Act" or "the Act" means the Companies Act, 1956 and Companies Act, 2013 and rules made there under and shall include any statutory modification or re-enactment or amendment thereof for the time being in force. Any references to the provisions of the Companies Act, 1956 shall be construed to be references to the corresponding provisions of the said provisions in the Companies Act, 2013;
- (b) "Arrangement" means the term "arrangement" as referred to and understood under the provisions of Sections 391 to 394 read with Sections 78, 100 to 104 of the Act and other relevant provisions of the Act;
- (c) "Appointed Date" means opening of business hours on April 1, 2014 or such other date as may be directed by the High Court for the purpose of giving effect to the scheme;
- (d) "Board of Directors" or "Board" in relation to each of the Resulting Company and the Demerged Company, as the case may be, shall, unless it be repugnant to the context or otherwise, includes a committee of directors or any person duly constituted and authorised by the respective Boards of Directors;
- (e) "BSE" means BSE Limited;
- (f) "Court" or "High Court" means Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad having jurisdiction in relation to the Demerged Company and the Resulting Company, or such other competent authority or the National Company Law Tribunal to whom this Scheme in its present form is submitted for sanctioning under Sections 391 – 394 read with Section 78, 100 – 104 of the Act;
- (g) "Demerged Company" means Gulf Oil Corporation Limited which is presently engaged in the following businesses:
 - a. Manufacture and Marketing of Lubricants
 - b. Industrial Explosives:
 - i. Manufacture and Marketing of Industrial Explosives
 - ii. Manufacture and Marketing of Detonating Accessories

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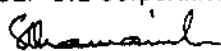
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- c. Mining & Infrastructure
- d. Property Development.

- (h) "Effective Date" means the last of the dates on which the certified true copies of the Order of the High Court under Section 391 and 394 read with Section 78, 100 to 104 of the Act sanctioning the Scheme are filed with the Registrar of Companies at Hyderabad and all the conditions and matters referred to in Clause 28 of this Scheme occur or have been fulfilled or waived in accordance with this Scheme, or the Appointed Date, whichever is later. Any references in the Scheme to "upon the Scheme becoming effective" or "on coming into effect of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date";
- (i) "Lubricants Undertaking" means the Lubricants business carried out by GOCL and includes business, activities and operations (including entire assets and liabilities) pertaining to the Lubricants business of GOCL, on a going concern basis, and include, without limitation the following:
- a) all properties and assets, movable and immovable (including immovable property mentioned in Schedule), real and personal, in possession or reversion, corporeal and incorporeal, present and future, contingent or of whatsoever nature, wheresoever situate along with buildings, lab equipments, pipelines and valves, offices, plant and machineries, vehicles, investments (if any), capital work-in-progress, current assets, office equipments, appliances, computers, accessories, licenses, permits, quotas, approvals, registrations, lease, tenancy rights, incentives, if any, municipal permissions, consents, powers of every kind, nature and description whatsoever in connection with or pertaining or relatable to Lubricants business and all other permissions, rights (including rights under any contracts, government contracts, memorandum of understanding, etc.), all entitlements, deposits, advances and or moneys paid or received by the Demerged Company in connection with or pertaining or relatable to Lubricants Business, all statutory licenses and / or permissions and / or approvals and / or filings to carry on the operations of the Lubricants business, benefits of all agreements, import entitlements contracts and arrangements and all other interests in connection with or relating to the Lubricants Business;
 - b) all debts, liabilities including contingent liabilities, duties, taxes and obligations including transfer pricing, export obligations of the Demerged Company pertaining to and / or arising out of and / or relatable to Lubricants Business;
 - c) 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 Demerged Company directly or indirectly in connection with or relating to Lubricants Business;

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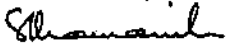


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- d) Lubricants business carried out through investments in overseas subsidiaries in Bangladesh (ie Gulf Oil Bangladesh Limited), Indonesia (ie PT Gulf Oil Lubricants Indonesia) and China (ie Gulf Oil (Yantai) Company Limited), along with necessary/related approvals, UINs obtained in relation to these investments, and other identified investments of all kinds (including stocks, bonds, debenture stock, units or pass through certificates), as may be held on the Appointed Date.
 - e) all necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Lubricants Business;
 - f) all brands, trademarks, trade names, patents and domain names, copyrights, industrial designs, trade secrets, product registrations, dossiers, and other intellectual property, whether in India or abroad, and all other interests exclusively relating to the goods or services being dealt with by Lubricants Business; and
 - g) all employees of the Demerged Company substantially engaged in the Lubricants Business and those employees that are determined by the Board of Directors of the Demerged Company to be substantially engaged in or relatable to Lubricants Business.
 - h) all obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangements which may give rise to a contingent liability in whatever form) and liabilities, both present and future, (including direct tax liabilities, indirect tax liabilities, deferred tax liabilities, contingent liabilities and the Transferred Liabilities' (as hereinafter defined) and obligations under any licenses or permits or schemes), whether secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheet, appertaining or relating to the Lubricants Undertaking of Demerged Company.

For the purposes of this Scheme, it is clarified that liabilities pertaining or relating to Lubricants Undertaking shall mean:

- (a) The liabilities which arise out of the activities or operations of the Lubricants Undertaking;
- (b) The specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Lubricants Undertaking; and
- (c) In cases, other than those referred to in sub-clauses (a) and (b) above, so much of the amounts of general or multipurpose borrowings of Demerged Company, allocable to the Lubricants Undertaking as stand in the same proportion with which the value of the assets transferred to the Resulting Company under this Scheme bears to the total value of the assets of Demerged Company immediately before the Demerger, as prescribed under the Income-tax Act, 1961.

For GULF OIL Corporation Ltd.


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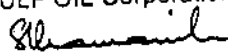


- i) Any question that may arise as to whether a specified asset or liability and / or employee pertains or does not pertain to Lubricants Business or whether it arises out of the activities or operations of Lubricants Business shall be decided by mutual agreement between the Board of the Demerged Company and the Resulting Company.
- (j) "NSE" means National Stock Exchange of India Limited;
- (k) "Record Date" means the date to be fixed by the Board of Directors of the Resulting Company, for the purpose of issue of shares of the Resulting Company to the shareholders of Demerged Company on demerger of the Lubricants Undertaking and transfer and vesting thereof into the Resulting Company;
- (l) "Registrar of Companies" means the Registrar of Companies, Andhra Pradesh, Hyderabad;
- (m) "Remaining Business" means the business, assets and liabilities of the Demerged Company other than the Lubricants Undertaking and includes all other business units, divisions and their respective assets, liabilities including portion of general or multipurpose borrowings, contracts and employees not allocated to the Lubricants Undertaking of GOCL;
- (n) "Resulting Company" means Gulf Oil Lubricants India Limited, a company incorporated under the Act, having its registered office at c/o Gulf Oil Corporation Limited, Kukatpally, Sanathnagar (IE), PO, Hyderabad - 500 018.
- (o) "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in accordance with Section 2(19AA) of the Income tax Act, 1961 in its present form, together with all the schedules and annexures, which shall form part of this Scheme of Arrangement for Demerger and shall be submitted to the High Court or with any modification(s) made under Clause 27 of this Scheme or with such other modifications/amendments as the High Court may direct;
- (p) All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF COMING INTO EFFECT

- 2.1. The Scheme set out herein in its present form or with any modification approved or imposed or directed by the High Court of Judicature of Andhra Pradesh shall be effective from the Appointed Date but shall be operative from Effective Date.

For GULF OIL Corporation Ltd.


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MANAGING DIRECTOR



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- 2.2. Any reference in this Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "upon the coming into effect of the Scheme" shall mean the Effective Date.

3. SHARE CAPITAL

- 3.1. The authorized, issued, subscribed and paid up share capital of the Demerged Company as on March 31, 2013 is as under:

	Rs.
Authorized Share Capital	
12,50,00,000 Equity Shares of Rs. 2/- each	2,500.00
Total	2,500.00
Issued, Subscribed and Paid-up Share Capital	
9,91,44,980 Equity Shares of Rs. 2/- each	1,982.90
Total	1,982.90

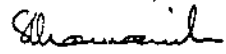
The equity shares of GOCL are listed on BSE and NSE.

- 3.2. The authorized, issued, subscribed and paid up share capital of the Resulting Company as on March 31, 2013 is as under:

	Rs.
Authorized Capital	
50,000 Equity Shares of Rs. 10/- each	500,000
Total	500,000
Issued, Subscribed and Paid-up	
50,000 Equity shares of Rs. 10/- each fully paid up	500,000
Total	500,000

Entire share capital of the Resulting Company is presently held by GOCL and its nominees. Upon effectiveness of the scheme, the existing share capital held by GOCL will be cancelled in terms of Clause 14 of this Scheme. Further, upon issue of shares by GOLIL in terms of Clause 13 of this scheme, the shares of GOLIL will be listed on BSE and NSE.

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PART II - DEMERGER OF LUBRICANTS DIVISION OF GOCL



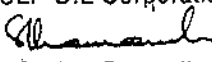
Section I- Transfer and Vesting of the Lubricants Undertaking of the Demerged Company

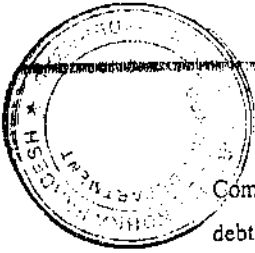
4. TRANSFER OF ASSETS

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

- 4.1 Subject to the provisions of the Scheme, the Lubricants Undertaking of Demerged Company, as defined in Clause 1(i), shall subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(1) of the Act, and without any further act or deed, be transferred to and vested in and is deemed to be transferred to and vested in Resulting Company, as a going concern.
- 4.2 The whole of the Lubricants Undertaking, as aforesaid, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions of the Act, if any, without any further act or deed, be transferred to and be vested in and be deemed to be transferred to and be vested in Resulting Company, as at the day immediately preceding the Appointed Date, so as to vest in Resulting Company all the rights, title and interest of Demerged Company therein.
- 4.3 In the event that the Board of Directors of Demerged Company and Resulting Company decide to implement the Scheme, the transfer and vesting of movable assets shall be effected as follows:
- 4.3.1 All the movable assets of the Lubricants Undertaking or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, all inventory lying at various locations shall be physically handed over by manual delivery to Resulting Company to the end and intent that the property therein passes to Resulting Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of Resulting Company accordingly. Such delivery shall be made on a date mutually agreed upon between Demerged Company and Resulting Company within thirty days from the Effective Date.
- 4.3.2 In respect of movable assets, other than those specified in sub-clause 4.3.1 above, including actionable claims, transfer of sundry debtors, related investments and outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances, deposits with the Electricity, Water, Central Excise, Customs, Sales Tax / VAT / GST and such other departments of the State and / or Central Government if any and Indemnity, Guarantee, Undertaking furnished to any department or authority of the State and / or Central Government, Demerged Company shall give notice in such form as they may deem fit and proper to each party, debtor, depositor or the investee of Demerged Company as the case may be, that pursuant to the Orders of the High Court sanctioning the Scheme, the said debt, loan, advances, etc. be paid or made good or held on account of Resulting Company as the person entitled thereto, to the end and intent that the right of Demerged Company to recover or realize the same stands extinguished, and that such rights to recover or realize the same shall vest in Resulting Company. Resulting

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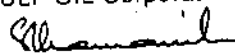

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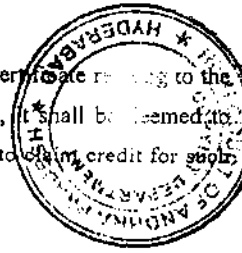
Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor or investee that pursuant to the Orders of the High Court sanctioning the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to the account of Resulting Company and that the right of Resulting Company to recover or realise the same is in substitution of the right of Demerged Company.

- 4.4 All investments in overseas subsidiaries as mentioned in Clause 1(i)(d) to be transferred to Resulting Company, to the extent held on the Appointed date. All the requisite actions, compliances hitherto being undertaken by Demerged Company in India and overseas in relation to the overseas subsidiaries to be continued by Resulting Company in similar manner.
- 4.5 The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Lubricants Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme coming into effect. Any no-objection certificates, licenses, permissions, consents, approvals, authorisations, registrations or statutory rights as are jointly held by the Lubricants Undertaking and any other divisions of the Demerged Company shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon the filing of the Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations of the Lubricants Undertaking in the Resulting Company without any hindrance from the Effective Date.
- 4.6 All existing and future incentives, unavailed credits and exemptions, other statutory benefits, including in respect of Income Tax, Excise (including Modvat/Cenvat), Customs, VAT, Sales Tax, Service Tax, etc to which Demerged Company is entitled in relation to the Lubricants Undertaking in terms of the various Statutes / Schemes / Policies, etc of Union and State Governments shall be available to and vest in Resulting Company upon this Scheme becoming effective. Further, the experience, track record and credentials of the Lubricants Undertaking in manufacturing and supplying the products thereof to various authorities, agencies and clients prior to its transfer to Resulting Company shall be taken into account and treated and recognised as the experience, track record and credentials of such Lubricants Undertaking even after its transfer to Resulting Company, including for the purpose of eligibility, standing, evaluation and participation of Resulting Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.
- 4.7 All taxes, duties, cess payable by the Demerged Company relating to the Lubricants Undertaking including all or any advance tax payments, tax deducted at source, tax liabilities, refunds, credit, claims relating thereto shall for all purposes be treated as advance tax payments, tax deducted at source, tax liabilities or refunds/credit/claims, as the case may be, of the Resulting Company.

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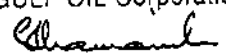


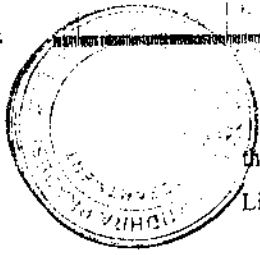
- 4.8 In case any certificate for tax deducted at source or any other tax credit certificate relating to the Lubricants Undertaking is received in the name of Demerged Company, it shall be deemed to have been received by Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.
- 4.9 All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company pertaining to the Lubricants Undertaking after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. Similarly, the banker of the Resulting Company shall honour all cheques issued by the Demerged Company pertaining to the Lubricants Undertaking for payment after the Effective Date. If required, the Demerged Company shall allow maintaining of bank accounts in the name of Demerged Company by the Resulting Company for such time as may be determined to be necessary by the Demerged Company and the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company in connection with the business of the Lubricants Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company pertaining to the Lubricants Undertaking shall be instituted, or as the case may be, continued, by or against, the Resulting Company after the coming into effect of the Scheme.
- 4.10 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Demerged Company, which Demerged Company owns or to which Demerged Company is a party and which cannot be transferred to Resulting Company for any reason whatsoever, Demerged Company shall hold such asset or any contracts deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Resulting Company to which the Lubricants Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do till such time as the transfer is effected.

5. TRANSFER OF LIABILITIES

Upon coming effect of the Scheme and with effect from the Appointed Date:

- 5.1 All loans raised and used, debts, liabilities, duties and obligations of every kind, nature, description, including export obligations, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of Demerged Company shall also, as on the Appointed Date and relatable to the Lubricants Undertaking in accordance with Section 2(19AA) of the Income-tax Act, 1961, shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to Resulting Company to the extent that they are outstanding as on the Effective Date and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any

For GULF OIL Corporation Ltd.

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 MANAGING DIRECTOR

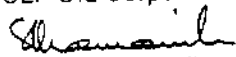


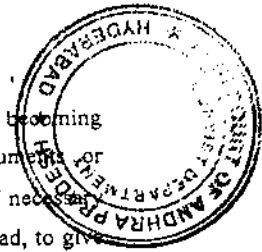
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third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities and obligations have arisen in order to give effect to the provisions of this sub-clause.

- 5.2 Where any of the debts, loans raised, liabilities and obligations of Demerged Company as on the Appointed Date deemed to be transferred to Resulting Company have been discharged by Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been done for and on account of Resulting Company.
- 5.3 All loans raised and all liabilities and obligations incurred by Demerged Company for the operations of the Lubricants Undertaking after the Appointed Date and prior to the Effective Date shall, subject to the terms of this Scheme, be deemed to have been raised or incurred for and on behalf of Resulting Company in which the Lubricants Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed and stand transferred to Resulting Company and shall become the debts, liabilities, duties and obligations of Resulting Company which shall meet discharge and satisfy the same.
- 5.4 (a) The securities or encumbrances created with respect to liabilities retained by the Demerged Company over the assets comprised in the Lubricants Undertaking shall stand discharged from the Effective Date and the assets of the Demerged Company shall be offered as security for liabilities retained by the Demerged Company.
- (b) The securities or encumbrances created with respect to liabilities retained pertaining to Remaining Business of the Demerged Company shall continue to subsist.
- (c) The securities or encumbrances created on the assets retained by the Demerged Company with respect to liabilities transferred to the Lubricants Undertaking shall stand discharged from the Effective Date and the assets of the Lubricants Undertaking shall be offered as security for liabilities transferred to the Resulting Company.
- (d) At the specific request of the Lubricant Undertaking, the Demerged Company may offer security over its assets to specified creditors of Lubricants undertaking, post the effective date, subject to certain commercial terms to be mutually agreed upon for providing the said security.
- 5.5 The limits of Resulting Company in terms of Sections 293(1)(a) and 293(1)(d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of Demerged Company pertaining to the Lubricants Undertaking which are being transferred to Resulting Company pursuant to the Scheme, such limits being incremental to the existing limits of Resulting Company, with effect from the Appointed date.

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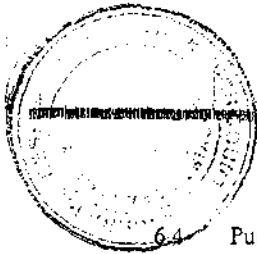
- 5.6 Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming effective, Demerged Company and Resulting Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/ or modifications of charge with the Registrar of Companies, Hyderabad, to give formal effect to the above provisions, if required.

6. **CONTRACTS, DEEDS, ETC.**

- 6.1 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Lubricants Undertaking, to which Demerged Company is a party or to the benefit of which Demerged Company is eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of Resulting Company and may be enforced as fully and effectually as if, instead of Demerged Company, Resulting Company had been a party or beneficiary or obligee thereto or thereunder.
- 6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Lubricants Undertaking occurs by virtue of this Scheme itself, Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or agreement or arrangements with any party to any contract or arrangement to which Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. Demerged Company will, if necessary, also be a party to the above. Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Demerged Company and to carry out or perform all such formalities or compliances to be carried out or performed on the part of Demerged Company.
- 6.3 Any and all statutory licenses, no-objection certificates, permissions, consents, quotas, rights, entitlements, approvals of every kind and description of whatsoever nature and the benefits thereto, in relation to the Lubricants Undertaking shall stand transferred to or vested in the Resulting Company, without any further act or deed done by the Demerged Company and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company upon the vesting and transfer of the Lubricants Undertaking pursuant to this Scheme. The benefits of all such statutory licenses, non objection certificates, permissions, consents, quota, rights, entitlements and approvals shall vest in and become available to the Resulting Company pursuant to the Scheme.

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6.4 Pursuant to the vesting orders of the Honourable High Court of Judicature of Andhra Pradesh, each of the permissions, approvals / Licences including applications for renewal thereof, consents, sanctions, remissions, special reservations, sales tax remissions, tax holidays, incentives, concessions, and other authorisations relating to the Lubricants Undertaking shall stand transferred to Resulting Company and that Resulting Company shall file the relevant intimations to the statutory authorities who shall take them on record.

6.5 For the purpose of giving effect to the vesting order passed under Sections 391- 394 and other applicable provisions of the Act, in respect of this Scheme, Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the change in the legal right(s) mutated in its name in the records of the statutory authorities upon the vesting of such assets of the Lubricants Undertaking in accordance with the provisions of sections 391, 394 and other applicable provisions of the Act.

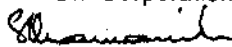
7. EMPLOYEES

7.1 All staff, workmen and employees of Lubricants Undertaking in Demerged Company, in service on the Effective Date shall be deemed to have become staff, workmen and employees of Resulting Company, with effect from the Appointed Date without any interruption of or break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Resulting Company shall not be less favorable than those applicable to them with reference to Demerged Company, on the Appointed Date.

7.2 It is expressly provided that, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts including any employment benefits, terminal benefits etc created or existing for the benefit of the staff, workmen and employees of Demerged Company, in relation to Lubricants Undertaking, shall become the trusts/funds of Resulting 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 Demerged Company, in connection with Lubricants Undertaking, relating to such fund or funds shall become those of Resulting Company. It is clarified that the services of the staff, workmen and employees of Demerged Company, in relation to Lubricants Undertaking, will be treated as having been continuous for the purpose of the said fund or funds.

7.3 In so far as the fund or funds created or existing for the benefit of the employees of Demerged Company, in relation to the Lubricants Undertaking, upon the coming into effect of this Scheme, balances lying in the accounts of the employees of Demerged Company in relation to Lubricants Undertaking in the said fund or funds as on the Effective Date shall stand transferred from the respective fund or funds of Demerged Company, in relation to Lubricants Undertaking to the corresponding fund or funds set up by Resulting Company.

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8. LEGAL PROCEEDINGS

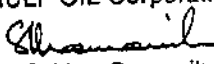
- 8.1 Upon coming into effect of this Scheme, all legal, taxation or other proceedings, (including any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Lubricants Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Appointed Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be replaced/ added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.
- 8.2 If any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 8.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 8.3 The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in Clause 8.1 above transferred to its name as soon as is reasonably possible after the Appointed Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.
- 8.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the demerger of Lubricants Undertaking of the Demerged Company into Resulting Company or anything contained in the Scheme.

9. SECURITY

- 9.1 Upon the coming into effect of this Scheme, in so far as the security in respect of the liabilities of the Demerged Company as on the Appointed Date is concerned, it is hereby clarified that the Demerged Company and the Resulting Company shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security, as may be considered necessary to secure such liabilities.

Provided however, any reference in any security documents or arrangements (to which the Demerged Company is a party) to the assets of the Demerged Company offered or agreed to be offered as security for any financial assistance or obligations pertaining to the Lubricants Undertaking, shall be construed as reference only to the assets pertaining to the Lubricants Undertaking of the Demerged Company as are vested in the Resulting Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets

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of the Resulting Company, save and except as may be otherwise agreed between the Demerged Company, the Resulting Company and the respective lender(s).

Provided further that upon the coming into effect of this Scheme, in the event any security, charge and/ or mortgage is extended over the assets of the Demerged Company in respect of any financial assistance or obligations pertaining to the Lubricants Undertaking vested in the Resulting Company, such security, charge and/ or mortgage shall be deemed to be carried out as an integral part of the Scheme and all applicable compliances/ clearances/ permissions of regulatory authorities including compliances under Sections 295, 297, 372A of the Act shall be deemed to have been obtained as part of the sanction of the Scheme, and no separate approvals shall be required.

Provided further that upon the coming into effect of this Scheme, in the event any security, charge and/ or mortgage is extended over the assets of the Resulting Company in respect of any financial assistance or obligations pertaining to the Remaining Business retained in the Demerged Company, such security, charge and/ or mortgage shall be deemed to be carried out as an integral part of the Scheme and all applicable compliances/ clearances/ permissions of regulatory authorities including compliances under Sections 295, 297, 372A of the Act shall be deemed to have been obtained as part of the sanction of the Scheme, and no separate approvals shall be required.

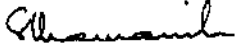
Provided further that an appropriate charge computed on arm's length principles may be levied by Demerged Company in the event any security, charge and / or mortgage is extended over the assets of the Demerged Company in respect of any financial assistance or obligations pertaining to the Lubricants Undertaking vested in the Resulting Company.

Provided further that an appropriate charge computed on arm's length principles may be levied by Resulting Company in the event any security, charge and / or mortgage is extended over the assets of the Resulting Company in respect of any financial assistance or obligations pertaining to the Remaining Business retained in the Demerged Company.

Provided also that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Lubricants Undertaking vested in the Resulting Company.

9.2 Notwithstanding the aforesaid, if considered necessary, the Demerged Company and the Resulting Company shall discuss and make appropriate arrangements with their Bankers/Financial Institutions for offering necessary securities or encumbrances in respect of borrowings held by respective Companies.

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10. SAVINGS OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Lubricants Undertaking of Demerged Company under this Section 1 of Part II of this Scheme shall not affect any transactions or proceedings already concluded by Demerged Company on or before the Appointed Date, to the end and intent that Resulting Company accepts and adopts all acts, deeds and things made, done and executed by Demerged Company as acts, deeds and things made, done and executed by or on behalf of Resulting Company.

Section 2- Conduct of Business

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

11.1 the Demerged Company shall be carrying on and be deemed to have been carrying on all business and activities relating to the Lubricants Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Lubricants Undertaking for and on account of, and in trust for, the Resulting Company;

11.2 all profits and income accruing or arising to the Demerged Company from the Lubricants Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Lubricants Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company; and

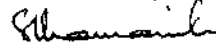
11.3 any of the rights, powers, authorities, privileges, attached, related or pertaining to the Lubricants Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Lubricants Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.

Section 3- Remaining Business of Demerged Company

12. REMAINING BUSINESS

12.1 The Remaining Business of the Demerged Company shall continue to belong to and be vested in and be managed by the Demerged Company.

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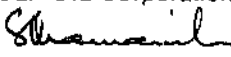
- 12.2 All legal and other proceedings by or against the Demerged Company under any statute, pending on the Appointed Date and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.

Section 4- Consideration

ISSUANCE OF SHARES BY THE RESULTING COMPANY

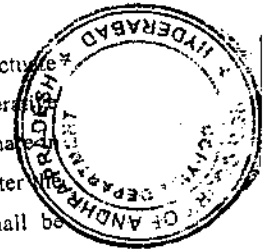
13. Upon coming into effect of the Scheme and in consideration of the Demerger, including the transfer and vesting of the Lubricants Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each member of the Demerged Company whose name is recorded in the register of members and records of the depository as beneficial owners of the Demerged Company on the Record Date, equity shares in the Resulting Company in the ratio of 1 (one) equity share in the Resulting Company of the face value of Rs.2/- each credited as fully paid-up for every 2 equity shares of Rs.2/- each fully paid-up held by such member in the Demerged Company prior to giving effect to the reduction of capital envisaged under Section 5 in the hands of the Demerged Company. For the avoidance of doubt it is clarified that no shares shall be issued by the Resulting Company in respect of the forfeited shares of the Demerged Company.
- 13.1 The shares issued to the members of the Demerged Company by the Resulting Company pursuant to Clause 13 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Demerged Company. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares shall be issued to such members in dematerialized form provided that the members of the Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Resulting Company shall issue and directly credit the dematerialised securities to the account of such member. In the event that the Resulting Company has received notice from any member that shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her /its account with a depository participant or other confirmations as may be required, then the Resulting Company shall issue shares in physical form to such member.
- 13.2 Equity shares to be issued by the Resulting Company pursuant to Clause 13 above in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Resulting Company.
- 13.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall

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be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operated as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Resulting Company and in relation to the shares issued by the Resulting Company after the effectiveness of the Scheme. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transaction period.



- 13.4 In case any shareholder's holding in the Demerged Company is such that the shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificates to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Resulting Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same in proportion to their fractional entitlements.
- 13.5 All equity shares of the Resulting Company shall be listed and/or admitted to trading on the Stock Exchanges, in accordance with applicable law.
- 13.6 Unless otherwise determined by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company, issuance of equity shares in terms of Clause 13 above shall be done within 45 days from the Effective Date.
- 13.7 Subject to any dispensations that may be granted by the Securities Exchange Board of India and / or the Stock Exchanges, the shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 13.8 Subject to any dispensations that may be granted by the Securities Exchange Board of India and / or the Stock Exchanges, there shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the date of listing of the shares of the Resulting Company pursuant to the Scheme, save and except pursuant to the issuance of shares under this Scheme.

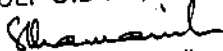
Section 5- Reorganization of Share Capital

REDUCTION IN SHARE CAPITAL OF THE RESULTING COMPANY

14. The shares of Resulting Company will be reduced as follows:

- 14.1 As an integral part of this Scheme, the existing shareholding of the Demerged Company in the equity share capital of the Resulting Company shall stand cancelled in accordance with the provisions of Sections 100 to 104 of the Act.

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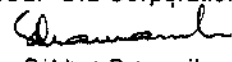
However, as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Therefore, no order under Section 102 of the Act confirming the reduction shall be required.

- 14.3 The reduction in the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 104 and all other applicable provisions of the Act and the Order of the High Court sanctioning this Scheme shall be deemed to be also the Orders under Section 102 of the Act for the purpose of confirming the reduction. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

REDUCTION IN SHARE CAPITAL OF THE DEMERGED COMPANY TO GIVE EFFECT TO DEMERGER

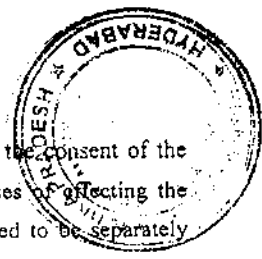
15. As a result of the demerger and the resultant transfer of the Lubricants Undertaking to the Resulting Company, the issued, subscribed and paid up share capital of the Demerged Company will no longer be represented by the assets of the Demerged Company consequent to the Demerger of the Lubricants Undertaking. Accordingly, as an integral part of the Scheme, and, upon the coming into effect of the Scheme, the issued, subscribed and paid up equity share capital of the Demerged Company shall be reduced by reducing the face value of the equity shares from 1 (One) equity share of Rs.2/- each fully paid up to 1 (One) equity share of Re. 1/- each fully paid. As a result, the issued, subscribed and paid-up share capital of the Demerged Company shall stand reduced by an amount of Rs.9,91,44,980/- to Rs 9,91,44,980/- comprising of 9,91,44,980 equity shares of Re.1/- each, without any further act or deed.
16. Simultaneously, 2 (Two) equity shares each of Re. 1/-, shall be consolidated into 1 (One) fully paid-up equity share of Rs. 2/- each. Due to the reduction in capital of the Demerged Company and the aforesaid consolidation, if a shareholder becomes entitled to a fraction of an equity share of the Demerged Company, the Demerged Company shall not issue fractional share certificates to such member / beneficial owner but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Demerged Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders / beneficial owners respectively entitled to the same in proportion to their fractional entitlement.
17. The reduction in the Share Capital of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 104 and any other applicable provisions of the Act and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Demerged Company, the Demerged Company shall not be required to add "And Reduced" as suffix to its name.

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18. It is hereby clarified that for the purposes of Clauses 15, 16 and 17 above, the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and no further resolution under the Act, would be required to be separately passed.

ALTERATION OF AUTHORIZED CAPITAL OF DEMERGED COMPANY AND RESULTING COMPANY

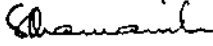
19(A) (i) As a consequence of the reduction of capital of the Demerged Company, the authorized share capital of the Demerged Company shall be reorganized and shall comprise of 7,54,27,510 equity shares of Rs. 2/- each aggregating to Rs.15,08,55,020 and the subscribed, issued and paid up capital shall comprise of 4,95,72,490 new equity shares of Rs.2 each aggregating to Rs.9,91,44,980.

(ii) The following clauses in the Memorandum and Articles of Association of the Demerged Company shall stand amended to read as under:

a) Clause V in the Memorandum of Association: "The Authorised Share Capital of the Company is Rs.15,08,55,020 divided into 7,54,27,510 equity shares of Rs.2/- each, subject to the provisions of the Companies Act, 1956 with the rights, privileges and conditions attached thereto, as are provided by the Articles of Association of the Company for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act 1956 or provided by the Articles of Association of the Company for the time being."

b) Article 3 in the Articles of Association Association: "The Authorised Share Capital of the Company is Rs.15,08,55,020 divided into 7,54,27,510 equity shares of Rs.2/- each".

19(B) (i) "Consequent upon the scheme coming into effect the existing authorised share capital of the Resulting Company of Rs.5,00,000 divided into 50,000 equity shares of Rs.10/- is re-organised and shall be Rs.5,00,000 divided into 2,50,000 equity shares of Rs.2/- each."

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(ii) To the extent of reduction in the Demerged Company, the authorised capital of the Demerged Company shall stand transferred to and merged with the authorised capital of the Resulting Company.

(iii) The following clauses in the Memorandum and Articles of Association of the Resulting Company shall stand amended to read as under:

- a) Clause V in the Memorandum of Association: "The Authorised Share Capital of the Company is Rs.9,96,44,980 divided into 4,98,22,490 equity shares of Rs.2/- each. The Company shall have power from time to time to increase, reduce or alter its share capital and issue any shares in original or new capital as equity or preference shares.
- b) Article 3 in the Articles of Association Association: "The Authorised Share Capital of the Company is Rs.9,96,44,980 divided into 4,98,22,490 equity shares of Rs.2/- each and the same may be increased or reduced in accordance with the Companies Act, 1956 and the Memorandum of Association of the Company as and when thought fit.


19(C) Pursuant to this Scheme, the Demerged Company and the Resulting Company shall file the requisite forms with the Registrar of Companies for alteration of its authorised share capital.

Section 6- Accounting Entry

Accounting treatment in the books of the Demerged Company

20. The assets and the liabilities of the Demerged Company relating to the Lubricants Undertaking being transferred to the Resulting Company shall be at values appearing in the books of account of the Demerged Company on the close of business on the day immediately preceding the Appointed Date. For this purpose, any change in value of assets, consequent to their revaluation, if any, shall be ignored.
21. The difference between the value of assets and value of liabilities transferred pursuant to the Scheme shall be appropriated first against the paid up value of the capital cancelled pursuant to Clause 15 and the balance, if any, shall be appropriated against Share Premium account, and balance, if any, after appropriation to Share Premium account, will further be appropriated against General Reserves and balance, if any, after appropriation to General Reserve account, will further be appropriated against Profit & Loss account credit balance appearing in the books of the Demerged Company.
22. The reduction in the Share Capital and Securities Premium Account of the Demerged Company as stated above shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78, Sections 100 to 104 and any other applicable provisions of the Act and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not

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MANAGING DIRECTOR

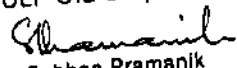
involve either a diminution of liability in respect of the unpaid share capital or payment of up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding the reduction as mentioned above, Demerged Company shall not be required to add "and reduced" as a suffix to its name.



Accounting treatment in the books of the Resulting Company

23. Upon the Scheme becoming effective and with effect from the Appointed Date, Resulting Company shall record the assets and liabilities of Lubricants Undertaking vested in it pursuant to this Scheme at their respective book values as appearing in the books of Demerged Company.
24. Resulting Company shall credit its share capital account with the aggregate face value of the equity shares issued to the shareholders of Demerged Company pursuant to Clause 13 of the Scheme.
25. The excess or deficit, if any, remaining after recording the aforesaid entries in Clause 23 and 24 and after giving effect to Clause 14 with respect to cancellation of existing share capital of Resulting Company held by Demerged Company prior to the Demerger, the costs in relation to transfer of assets pertaining to Lubricants Undertaking to Resulting Company such as stamp duty, registration charges, etc. and other entries in accordance with the Scheme, shall be debited as Goodwill or credited by Resulting Company to its Securities Premium Account (to the extent of Securities Premium reduced in books of Demerged Company) and balance to the General reserve Account, as the case may be.

For GULF OIL Corporation Ltd.


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PART III - GENERAL TERMS AND CONDITIONS

26. APPLICATION TO THE HIGH COURT

26.1. The Demerged Company and Resulting Company shall make applications / petitions under Sections 391 to 394 read with Sections 78 and 100 to 104 and other applicable provisions of the Act to the High Court of Andhra Pradesh for sanction of this Scheme.

26.2. Any dispute arising out of this Scheme shall be subject to the jurisdiction of the High Court.


27. MODIFICATION/AMENDMENT TO THE SCHEME

27.1. The Demerged Company (by its Board of Directors) and the Resulting Company (by its Board of Directors) in their full and absolute discretion may assent to any modification(s) or amendment(s) in this Scheme which the High Court or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme.

27.2. The Demerged Company and the Resulting Company by their respective Boards of Directors or any Director authorised in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the High Court or any authorities under law may deem fit to approve of or impose and which the Demerged Company and the Resulting Company may in their discretion accept as the Demerged Company and the Resulting Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise for carrying out this Scheme, and the Demerged Company and the Resulting Company by their respective Boards of Directors or Delegate are hereby authorised to do, perform and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions may be imposed by the High Court or any authorities, which the Demerged Company and the Resulting Company find unacceptable for any reason, then the Demerged Company and the Resulting Company shall be at liberty to withdraw the Scheme. The aforesaid powers of the Demerged Company and the Resulting Company may be exercised by the Delegate of the respective Companies.

27.3. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates of the Demerged Company and the Resulting Company may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective Companies), or to review the position relating to the satisfaction of

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various conditions of this Scheme and if necessary, to waive any of those conditions (to the extent permissible under law).



28. **CONDITIONALITY AND EFFECTIVENESS OF THE SCHEME**

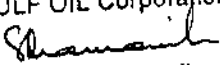
This Scheme is and shall be conditional upon and subject to:

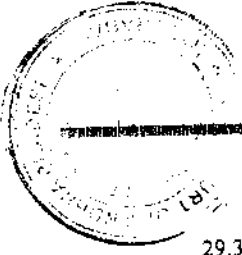
- 28.1. the Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of the Demerged Company and the members and / or creditors of the Resulting Company as may be directed by the Court or any other competent authority, as may be applicable;
- 28.2. the Scheme being sanctioned by the High Court or any other authority under Sections 391 to 394 read with Sections 78, 100 to 104 of the Act and to the necessary orders of the High Court or other appropriate authority being obtained;
- 28.3. such other sanctions and approvals including but not limited to in principle approvals, sanctions of any Governmental Authority, or any stock exchanges as may be required by law in respect of this Scheme being obtained; and
- 28.4. The certified copies of the Order of the High Court under Section 391 and 394 read with Section 78, 100 to 104 of the Act sanctioning the Scheme are filed with the Registrar of Companies at Hyderabad.

29. **REVOCATION AND SEVERABILITY**

- 29.1. In the event of any of the said sanctions and approvals referred to in Clause 28 not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court or such other appropriate authority and/or order or orders not being passed as aforesaid before 30 June, 2014 or such other date as may be mutually agreed upon by the respective Boards of Directors of GOCL and GOLIL who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect.
- 29.2. In the event of revocation under Clause 29.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to GOCL and GOLIL, their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, GOLIL shall bear all costs.

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29.3. If any part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

29.4. The Board of Directors of GOCL and GOLIL shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on GOCL and/or GOLIL.

29.5. GOCL and GOLIL shall be at liberty to withdraw from this Scheme, in case any condition or alteration imposed by the High Court or any other authority is not on terms acceptable to them.

30. **COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of GOCL and GOLIL arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by GOCL. However, the Stamp Duty, statutory fees, duties, taxes, etc. incurred by GOCL and GOLIL will be paid by them respectively.

31. **APPROVALS**

The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government or any State Government and all other agencies, departments and authorities concerned as may be necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own the Lubricants Undertaking.

SCHEDULE
Refer to Clause 1(i)(a) of Part I
(Immoveable Properties)

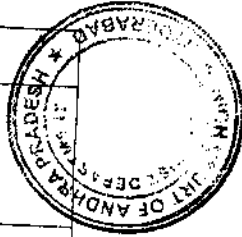
Sl No	Document Regd No. & Date	Property Details	Owned / Leased
1	740 of 1998 dated 23.06.1998	Land admeasuring 2900 sq. meters in Sy. No. 31/1/6 situated at village Masat, Silvassa Khamvel Road Silvassa - DNH - 396 230	Owned
2	741 of 1998 dated 23.06.1998	Land admeasuring 1800 sq. meters in Sy No. 31/1/3 situated at village Masat, Silvassa Khamvel Road Silvassa - DNH - 396 230	Owned
3	690 of 1994 dated 07.09.1994	Land admeasuring 800 sq. meters in Sy No. 28/1/1 situated at village Masat,	Owned

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		Silvassa Khamvel Road Silvassa - DNH - 396 230	
4	628 of 1994 dated 10.08.1994	Land admeasuring 1800 sq. meters in Sy No. 30/1 situated at village Masat, Silvassa Khamvel Road Silvassa - DNH - 396 230	Owned
5	629 of 1994 dated 10.08.1994	Land admeasuring 1200 sq. meters in Sy No. 30/3/3 situated at village Masat, Silvassa Khamvel Road Silvassa - DNH - 396 230	Owned
6	587 of 1993 dated 08.11.1993	Land admeasuring 3600 sq. meters in Sy Nos. 30/2, 27/10 & 29 situated at village Masat, Silvassa Khamvel Road Silvassa - DNH - 396 230	Owned
7	588 of 1993 dated 08.11.1993	Land admeasuring 14300 sq. meters in Sy No. 27/1 situated at village Masat, Silvassa Khamvel Road Silvassa - DNH - 396 230	Owned
8	AGREEMENT dated 23.11.1994	Land admeasuring 9097 sq. meters in Sy No. 33 /1/ P (Residential Colony) situated at village Athal , Behind Hotel Kamat, Naroli Road Silvassa - DNH - 396 230	Owned
9	1287 of 2002 dated 07.08.2002	Land admeasuring 2700 sq. meters in Sy No. 31/1/1/1 situated at village Masat, Silvassa Khamvel Road Silvassa - DNH - 396 230	Owned
10	203 of 2003 dated 05.02.2003	Land admeasuring 700 sq. meters in Sy No. 31/1/4/1 situated at village Masat, Silvassa Khamvel Road Silvassa - DNH - 396 230	Owned
11	204 of 2003 dated 05.02.2003	Land admeasuring 500 sq. meters in Sy No. 31/1/5/1 situated at village Masat, Silvassa Khamvel Road Silvassa - DNH - 396 230	Owned
12	AGREEMENT DT 14/01/2002	Flat No. 14 Laxminagar Commercial Complex, Shahu College Road , Parvati Pune 411 009	Owned
13	RKT-1-446-31- 34 2009 DT 20/01/2009	Shop No. 5 Samruddhi Bhavan, Gondal Road, Opp : Bombay Garage, Rajkot 360 001	Owned
14	RKT-1-446-31- 34 2009 DT 20/01/2009	Shop No. 6 Samruddhi Bhavan, Gondal Road, Opp: Bombay Garage, Rajkot 360 001	Owned



For GULF OIL Corporation Ltd.

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MANAGING DIRECTOR

8/13/29
SUPERINTENDENT
COPYIST DEPARTMENT
High Court of A
Hyderabad

THE HIGH COURT OF ANDHRA PRADESH
HYDERABAD.

CA No.	335	2014
Application made	17-4-	2014
Application referred		2014
Application represented		2014
Stamps called for	8-5-	2014
Stamps deposited	8-5-	2014
Stamps called for		2014
Stamps deposited		2014
Copy ready	8-5-	2014

[Signature]
Section Officer