

**SCHEME OF ARRANGEMENT**  
**UNDER SECTION 230 OF THE COMPANIES ACT, 2013**

AMONG  
GUJARAT STATE PETROLEUM CORPORATION LIMITED  
AND  
GUJARAT STATE INVESTMENT LIMITED  
AND  
GSPC NCD HOLDERS

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**PREAMBLE**

This Scheme (*as defined below*) provides for the assignment of the Obligations (*as defined below*) by Gujarat State Petroleum Corporation Limited to Gujarat State Investment Limited in accordance with and in terms of the provisions of Section 230 of the Act (*as defined below*).

**I BACKGROUND AND RATIONALE FOR THE SCHEME**

- A. **GUJARAT STATE PETROLEUM CORPORATION LIMITED** (“Transferor Company”) is a public limited company incorporated on 29 January 1979 under the provisions of the Companies Act, 1956 with CIN U23209GJ1979SGC003281 and having its registered office at GSPC Bhawan, Behind Udyog Bhawan, Sector-11, Gandhinagar – 382 011, Gujarat. The Transferor Company was incorporated on January 29, 1979 with the name of Gujarat State Petrochemicals Corporation Limited which was changed to the current name with effect from November 10, 1994. At the time of incorporation, the Registered Office of Transferor Company was situated at 6th floor, Center Point, Panchvati, Ellisbridge, Ahmedabad 380 006 which was changed to Block No. 15, 2nd floor, Udyog Bhavan, Sector - 11, Gandhinagar 382 010 on July 24, 1998 which was ultimately changed to the present Registered Office Address on May 14, 2004. The Transferor Company is a Government Company in accordance with Section 2 (45) of the Act (*as defined below*). The Transferor Company is *inter alia* engaged in the business of oil and gas exploration and production and natural gas trading. The shares of the Transferor Company are not listed on a Recognised Stock Exchange. However, the non-convertible debentures issued on private placement basis by the Transferor Company are listed on the



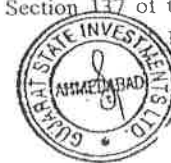
National Stock Exchange of India Limited. The details of the Transferor Company's shareholding is set out below:

Sr. No.	Name of Shareholder	% of holding
1	Gujarat Alkalies & Chemicals Limited	0.84%
2	Gujarat Industrial Development Corporation	0.48%
3	Gujarat Industrial Investment Corporation Limited	0.80%
4	Gujarat Mineral Development Corporation Limited	1.01%
5	Gujarat Narmada Valley Fertilizers Company Limited	0.84%
6	Gujarat State Fertilizers & Chemicals Limited	0.91%
7	Gujarat State Investment Limited	7.47%
8	Government of the State of Gujarat acting through Governor of Gujarat (Promoter) (including GoG Nominees)	86.89%
9	Gujarat Gas Limited	0.78%
	<b>Total</b>	<b>100.00%</b>

B. **GUJARAT STATE INVESTMENT LIMITED** ("Transferee Company") is a public limited company incorporated on 29 January 1988 under the provisions of the Companies Act, 1956 with CIN U64990GJ1988SGC010307 and having its registered office at 6th Floor, H K House Ashram Road Ahmedabad – 380 009, Gujarat. The Transferee Company is a Government Company in accordance with Section 2 (45) of the Act (*as defined below*). The Transferee Company holds investments of Government of Gujarat in various state sector entities. The Transferee Company is an unregistered core investment company and engaged in the business of investment generally. The shares of the Transferee Company not listed on a Recognised Stock Exchange. The details of the Transferee Company's shareholding is set out below:

Sl. No.	Name of Shareholders	Shareholding Percentage
1.	Government of the State of Gujarat acting through Governor of Gujarat (including Nominee Holders)	100

C. As on date, the Transferee Company is wholly owned by the Government of the State of Gujarat acting through the Governor of the State of Gujarat and qualifies as a 'Government Company' under Section 2 (45) of the Act (*as defined below*). The Transferor Company is owned and controlled by the Government of the State of Gujarat acting through the Governor of the State of Gujarat who holds 86.89% and also qualifies as a 'Government Company' under Section 2 (45) of the Act (*as defined below*). Both the Transferor Company and Transferee Company have not committed any default in filing their financial statements under Section 137 of the Act (*as*



*defined below*) or annual returns under Section 92 of the Act (*as defined below*) with the RoC (*as defined below*). The assignment of the Obligations (*as defined below*) of the Transferor Company and vesting of the same in the Transferee Company is in the interest of all concerned stakeholders including their shareholders, debenture holders, creditors and general public for the following reasons:

- (i) *Streamlining of group structure*: Pursuant to the assignment of the Obligations (*as defined below*) the Transferor Company shall issue equity shares to the Transferee Company resulting in the Transferee Company becoming the holding company of the Transferor Company resulting in administrative synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration for the ultimate shareholders (i.e. the Government of the State of Gujarat acting through the Governor of the State of Gujarat) of both the companies. The assignment of the Obligations (*as defined below*) by the Transferor Company will improve the leverage/ debt to equity ratio of the Transferor Company.
- (ii) *Better Tradability of NCDs*: Pursuant to the assignment of the Obligations (*as defined below*) by the Transferor Company and vesting of the same on the Transferee Company will enhance the tradability of the NCDs in the secondary market due to better credit-rating of the GSIL Debentures (*as defined below*) to be issued to Existing Holders (*as defined below*).
- (iii) *Implementation of Resolution of Government of Gujarat*: Government of Gujarat has issued G.R. No. GSP/11-2017/706/E dated July 26, 2018 recognizing the contribution of Transferor Company in creating a natural gas based economy in the State of Gujarat. Government of Gujarat has also resolved vide the said GR that the Existing NCDs (*as defined below*) be assigned by Transferor Company to Transferee Company in the overall interest of the Transferor Company, Transferee Company and the general public.

D. Accordingly, to achieve the above objectives, the board of directors of the Transferee Company and the Transferor Company have decided to make requisite applications and/or petitions before the Central Government (*as defined below*) under Sections 230 of the Act (*as defined below*) read with notification no. G.S.R 463 (E) dated 5 June 2015 of the Ministry of Corporate Affairs as amended by notification no. G.S.R 582 (E) of the Ministry of Corporate Affairs dated 13 June 2017 and other applicable provisions of the Act (*as defined below*), for the sanction of this Scheme.



- E. The assignment of the Obligations (*as defined below*) of the Transferor Company and vesting of the same in the Transferee Company with effect from the Appointed Date (*as defined below*) is in the interest of the respective shareholders, debenture holders, creditors, employees and other stakeholders of the Transferor Company and the Transferee Company.

## II PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

Part A deals with definitions, interpretations, date of coming into effect and share capital of the Transferor Company and the Transferee Company.

Part B deals with the assignment of the Obligations (*as defined below*) of the Transferor Company and vesting of the same in the Transferee Company.

Part C deals with amendments to the memorandum of association of the Transferor Company.

Part E deals with general provisions or terms and conditions applicable to this Scheme.

### PART A

#### DEFINITIONS, INTERPRETATIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT

##### 1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning ascribed to them below:

- 1.1 "Act" means the Companies Act, 2013 as may be amended from time to time.
- 1.2 "Applicable Law" means and includes any applicable statute, law, bye-law, enactment, regulation, ordinance, policy, treaty, rule, notification, direction, directive, guideline, requirement, license, rule of common law, order, decree, judgment, or any restriction or condition including any similar form of decision of, or determination, application or execution by, or interpretation or pronouncement having the force of law of, any Governmental Authority having jurisdiction over the matter in question.
- 1.3 "Appointed Date" for the purpose of this Scheme and for Income Tax Act, 1961 means April 1, 2018.
- 1.4 "Attachment Notification" means notification no. MPI 1118/C.R. 394/ Pol 11 dated 4 April 2018 issued by the Home Department, Government of Maharashtra under the Maharashtra Protection of Interest of Depositors (in financial establishment) Act, 1999.



- 1.5 “Board of Directors” in relation to the Transferor Company and the Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, would mean the respective board of directors of such company and shall include the respective committees of the board of directors or any person authorized by the board of directors or such committee of the board of directors.
- 1.6 “CIC Regulations” means Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 as updated from time to time.
- 1.7 “Central Government” means Ministry of Corporate Affairs.
- 1.8 “GSIL Debentures Trustee” means any person who has agreed to act as a trustee in relation to the issuance of the GSIL Debentures.
- 1.9 “Effective Date” means the later of the date on which the actions set out in Clause 13 are completed. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” or “upon coming into effect of this Scheme” shall mean the Effective Date.
- 1.10 “Existing Debentures” means the issued and allotted debentures of the Transferor Company as set out in Annexure 1 of the Scheme.
- 1.11 “Existing Series 1 Debentures” means the issued and allotted debentures of the Transferor Company having ISIN No. INE065L08017 allotted on September 21, 2012 and maturing on September 21, 2020.
- 1.12 “Existing Series 2 Debentures” means the issued and allotted debentures of the Transferor Company having ISIN No. INE065L08025 allotted on October 1, 2012 and maturing on October 1, 2022.
- 1.13 “Existing Series 3 Debentures” means the issued and allotted debentures of the Transferor Company having ISIN No. INE065L08041 allotted on March 22, 2013 and maturing on March 22, 2028.
- 1.14 “Existing Series 4 Debentures” means the issued and allotted debentures of the Transferor Company having ISIN No. INE065L08033 allotted on September 28, 2012 and maturing on September 28, 2022 and having first call option for redemption on September 28, 2022.
- 1.15 “Existing Series 5 Debentures” means the issued and allotted debentures of the Transferor Company having ISIN No. INE065L08058 allotted on March 22, 2013 and maturing on March 22, 2023 and having first call option for redemption on March 22, 2025.



- 1.16 "Existing Holders" means the current debenture holders of the Existing Debentures as on the Record Date.
- 1.17 "Existing Series 1 Holders" means the Existing Holders holding Existing Series 1 Debentures.
- 1.18 "Existing Series 2 Holders" means the Existing Holders holding Existing Series 2 Debentures.
- 1.19 "Existing Series 3 Holders" means the Existing Holders holding Existing Series 3 Debentures.
- 1.20 "Existing Series 4 Holders" means the Existing Holders holding Existing Series 4 Debentures.
- 1.21 "Existing Series 5 Holders" means the Existing Holders holding Existing Series 5 Debentures.
- 1.22 "GSIL Debentures" means the debentures of the Transferee Company to be issued to Existing Holders pursuant to the Scheme.
- 1.23 "GSIL Series 1 Debentures" means the GSIL Debentures to be issued to Existing Series 1 Holders pursuant to the Scheme against extinguishment of Existing Series 1 Debentures in the books of the Transferor Company. The terms for issuance of GSIL Series 1 Debentures are as given in Part A of Annexure 2 to this Scheme.
- 1.24 "GSIL Series 2 Debentures" means the GSIL Debentures to be issued to Existing Series 2 Holders pursuant to the Scheme against extinguishment of Existing Series 2 Debentures in the books of the Transferor Company. The terms for issuance of GSIL Series 2 Debentures are as given in Part B of Annexure 2 to this Scheme.
- 1.25 "GSIL Series 3 Debentures" means the GSIL Debentures to be issued to Existing Series 3 Holders pursuant to the Scheme against extinguishment of Existing Series 3 Debentures in the books of the Transferor Company. The terms for issuance of GSIL Series 3 Debentures are as given in Part C of Annexure 2 to this Scheme.
- 1.26 "GSIL Series 4 Debentures" means the GSIL Debentures to be issued to Existing Series 4 Holders (including 63 Moons) pursuant to the Scheme against extinguishment of Existing Series 4 Debentures in the books of the Transferor Company. The terms for issuance of GSIL Series 4 Debentures are as given in Part D of Annexure 2 to this Scheme.
- 1.27 "GSIL Series 5 Debentures" means the GSIL Debentures to be issued to Existing Series 5 Holders pursuant to the Scheme against extinguishment of Existing Series 5 Debentures in the books of the Transferor Company. The terms for issuance of GSIL Series 5 Debentures are as given in Part E of Annexure 2 to this Scheme.



- 1.28 “**Governmental Authority**” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- 1.29 “**IT Act**” means the Income-tax Act, 1961 including any statutory amendments and rules and regulations made therein.
- 1.30 “**New Terms**” means the terms and conditions (as set out in Annexure 3 of the Scheme) on which the GSIL Debenture shall be issued to the Small Debenture Holders in the event of non-receipt of the RBI Exemption.
- 1.31 “**Obligations**” shall mean all rights and obligations of the Transferor Company relating to the Existing Debentures including the obligations relating to payment of interest, withholding of taxes on interest payment, deduction of interest for the purpose IT Act to the Existing Holders as well as redemption of the Existing Debentures.
- 1.32 “**RBI**” means the Reserve Bank of India.
- 1.33 “**Recognized Stock Exchange**” means a recognized stock exchange as defined in Section 2(f) of the Securities Contract (Regulation) Act, 1956.
- 1.34 “**Record Date**” means the date to be fixed by the Board of Directors of the Transferor Company, being a date immediately after the Effective Date for determining the eligibility of the debenture holders of the Transferor Company, for the purpose of issue and allotment of GSIL Debentures, in terms of the Scheme.
- 1.35 “**63 Moons Debentures**” means such of the Existing Series 4 Debentures as are issued to 63 Moons that have been attached pursuant to Section 4 (2) of the Maharashtra Protection of Interest of Depositors (in financial establishment) Act, 1999 as per the Attachment Notification.
- 1.36 “**63 Moons**” means 63 Moons Technologies Limited a company incorporated in India with its registered office at Shakti Tower - 1, 7th Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai – 600 002, Tamil Nadu.
- 1.37 “**RoC**” means the Registrar of Companies, Ahmedabad.
- 1.38 “**RBI Exemption**” means the exemption to be granted by RBI to the Transferee Company as per the CIC Regulations, pursuant to an application dated September 25, 2018 submitted by the Transferee Company to the RBI inter alia seeking exemption from complying with certain provision of the CIC Regulations including the provisions relating to issuance of fully secured debentures to Small Debenture Holders.



1.39: "Scheme" means this composite scheme of arrangement in its present form or with any modification(s) made under Clause 24, as approved or directed by the Central Government or any other appropriate authority.

1.40 "Shares" means the equity shares of the Transferor Company.

1.41 "Small Debenture Holders" means the Existing Holders who individually hold Existing Debentures of a value less than INR 1,00,00,000 (Indian Rupees One Crore) as envisaged under Para 2(ii) of Annex IV to the CIC Regulations.

## 2. INTERPRETATIONS

2.1 The words importing the singular shall include the plural and words importing any gender shall include every gender.

2.2 All terms and words used but 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, Income Tax Act, 1961, and/or other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time, as may be applicable. It is clarified that if there is a conflict between the definitions of a word under different legislations, the word will have the meaning ascribed to it under the most relevant legislation.

2.3 References to "Clauses", unless otherwise provided, are to the clauses of this Scheme.

2.4 The headings herein shall not affect the construction of this Scheme.

2.5 Any phrase introduced by the terms "including", "include", "in particular" or by any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.6 References to person shall include any individual, firm, body corporate (whether or not incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

## 3. DATE OF COMING INTO EFFECT AND OPERATIVE DATE

3.1 This Scheme set out herein in its present form or with any modification(s) made in accordance with the provisions of this Scheme or approved or imposed or directed by the Central Government, shall be operative from the Appointed Date but shall come into effect from the Effective Date.





4. **SHARE CAPITAL**

4.1 The share capital of the Transferor Company as on 31 March 2018 is set out below.

Particulars	Amount (INR)
<b>Authorized share capital</b>	
300,00,00,000 Equity Shares of Re. 1/- each	300,00,00,000
<b>Total</b>	<b>300,00,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
257,92,62,920 Equity Shares of Re. 1/- each.	257,92,62,920
<b>Total</b>	<b>257,92,62,920</b>

Subsequent to 31 March, 2018 and as on date, there has been no further change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company.

4.2 The share capital of the Transferee Company as on 31 March 2018 is set out below.

Particulars	Amount (INR)
<b>Authorized share capital</b>	
285,00,00,000 Equity Shares of Rs. 10 Each and 1,50,00,000 Preference Shares of Rs. 100/- Each	3000,00,00,000
<b>Total</b>	<b>3000,00,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
104,27,69,070 Equity Shares of Rs. 10 Each	1042,76,90,700
<b>Total</b>	<b>1042,76,90,700</b>

Subsequent to 31 March 2018 and as on date, there has been no further change in the authorized, issued, subscribed and paid-up share capital of the Transferee Company.

PART - B



ASSIGNMENT OF THE OBLIGATIONS AND VESTING OF THE SAME IN THE TRANSFEREE

COMPANY

5. Assignment and Vesting

5.1 Upon this Scheme becoming effective, and operative from the Appointed Date, the Obligations shall, under the provisions of Sections 230 of the Act, and all other applicable provisions of the Act, if any, and pursuant to the order of the Central Government sanctioning the Scheme and without any further act or deed, be assigned to and vested in and/or deemed to be assigned to and vested in the Transferee Company, as if they were originally issued by the Transferee Company for its business purpose.

5.2 Without limiting the generality of the foregoing, upon this Scheme becoming effective, and operative from the Appointed Date:

- (i) The Existing Debentures shall stand redeemed and extinguished from the books of accounts of the Transferor Company;
- (ii) The Debenture Redemption Reserve shall stand extinguished from the books of accounts of the Transferor Company;
- (iii) The interest payable by GSIL on the GSIL Debentures shall be deemed to be expenses incurred for the purpose of business;
- (iv) In the event of the Transferee Company having received the RBI Exemption,
  - a. the Transferee Company shall issue (i) GSIL Series 1 Debentures to Existing Series 1 Holders on the terms set out in Part A of Annexure 2 to this Scheme; (ii) GSIL Series 2 Debentures to Existing Series 2 Holders on the terms set out in Part B of Annexure 2 to this Scheme; (iii) GSIL Series 3 Debentures to Existing Series 3 Holders on the terms set out in Part C of Annexure 2 to this Scheme; (iv) GSIL Series 4 Debentures to Existing Series 4 Holders on the terms set out in Part D of Annexure 2 to this Scheme; and (v) GSIL Series 5 Debentures to Existing Series 5 Holders on the terms set out in Part E of Annexure 2 to this Scheme – in each case without any further act, deed or instrument and without requiring to follow any procedural requirements for issuance of such GSIL Debentures under the Act and rules framed thereunder; and
  - b. the Transferor Company shall issue Shares to the Transferee Company, as consideration for the Transferee Company being assigned the Obligations, in the



ratio set out in Annexure 4 of this Scheme without any further act, deed or instrument and without requiring to follow any procedural requirements for issuance of such Shares under the Act and rules framed thereunder.

- (v) In the event the Transferee Company does not receive the RBI Exemption,
- a. the Transferee Company shall, (i) issue relevant series of GSIL Debentures to the relevant Small Debenture Holders on the relevant New Terms; and (b) issue relevant GSIL Debentures to relevant Existing Holders, other than the Small Debenture Holders, in accordance with the provision of Clause 5.2(iv)(a) above – in each case without any further act, deed or instrument and without requiring to follow any procedural requirements for issuance of such GSIL Debentures under the Act and rules framed thereunder; and
  - b. the Transferor Company shall issue Shares to the Transferee Company, as consideration for the Transferee Company being assigned the Obligations, in the ratio set out in Annexure 4 of this Scheme without any further act, deed or instrument and without requiring to follow any procedural requirements for issuance of such Shares under the Act and rules framed thereunder.
- (vi) It is clarified for avoidance of doubt that the provision of Clause 5.2 (iv) and Clause 5.2 (v) above are mutually exclusive and that Clause 5.2 (iv) shall have application only in the event of Transferee Company having received the RBI Exemption and that Clause 5.2 (v) shall have application only in the event of Transferee Company not having received the RBI Exemption;
- (vii) In the event the Transferor Company is unable to locate Small Debenture Holder(s) for the purpose of assignment of Obligations and issuance of GSIL Debentures in lieu thereof as envisaged in this Scheme, the assignment of Obligations envisaged under this Scheme even with respect to such Small Debenture Holder(s) shall be deemed to have been completed upon the Scheme being effective and with effect from the Operative Date provided that the GSIL Debentures to be issued to such Small Debenture Holder(s) shall be held by the GSIL Debenture Trustee in trust for such Small Debenture Holder(s). The Transferee Company shall ensure that as and when such Small Debenture Holder(s) is located the Debenture Trustee shall handover the relevant GSIL Debentures to such Small Debenture Holder(s);
- (viii) It is clarified for avoidance of doubt that issuance of GSIL Debentures contemplated under this Clause 5 or under Clause 7 hereinbelow shall not be



treated as fresh issuance for the purpose of CIC Regulations since in effect, the Transferee Company is accepting the assignment of Existing Debentures which are instruments already issued by Transferor Company and allotted to the Existing Holders.

6. **Listing of GSIL Debentures**

6.1 The GSIL Debentures shall subsequently be listed on the National Stock Exchange in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and such other procedures as may be specified by the relevant Recognized Stock Exchange. It is clarified that, the issuance of GSIL Debentures pursuant to this Scheme shall be deemed to be in compliance with the provisions of the Act for the purpose of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. It is also clarified that, the provisions of the Act or any other Applicable Law relating to "public issue" or "prospectus" shall not apply to such issuance of the GSIL Debentures.

6.2 The Transferee Company shall obtain a credit rating in respect to the GSIL Debentures from at least one credit rating agency registered with the Securities Exchange Board of India. Further, the Transferee Company shall make disclosures in a disclosure document as specified in Schedule I of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 along with the latest available annual report of the Transferee Company.

6.3 The Transferee Company shall ensure that the GSIL Debentures issued pursuant to this Scheme are in dematerialized form.

7. **Treatment of 63 Moons Debentures**

7.1 Notwithstanding anything contrary in this Scheme, the assignment of Obligations with respect to 63 Moons Debentures and consequent issuance of GSIL Series 4 Debentures to 63 Moons shall be carried out in accordance with the provisions of this Article 7.

7.2 Subject to the requirement of any Applicable Law, and order of a competent court, the Transferor Company and the Transferee Company shall take following steps with respect to the 63 Moons Debentures:

- (i) The Transferor Company shall, in consultation with the Government of the State of Maharashtra and the Competent Authority under the Maharashtra Protection of Interest of Depositors (in financial establishments) Act, 1999, do all such things or make any application before any Government Authority as may be necessary, to procure the



assignment of 63 Moons Debentures to the Transferee Company in accordance with this Scheme and in terms of Attachment Notification.

- (ii) Upon procurement of the necessary approval of Government Authority with regards to the Attachment Notification as aforesaid, the provisions of Clause 5 of this Scheme shall apply mutatis-mutandis to the 63 Moons Debentures also provided that the GSIL Series 4 Debentures to be issued to 63 Moons pursuant to the Scheme shall continue to be subject to attachment under the Attachment Notification and shall be subject to the requirement under Applicable Law and any order issued by a competent court.
- (iii) The Transferor Company and the Transferee Company shall give effect to this Scheme with respect to the 63 Moons in the manner as specified by the Competent Authority under the Maharashtra Protection of Interest of Depositors (in financial establishments) Act, 1999 or any other Governmental Authority.

## 8. Accounting Treatment

### 8.1 Accounting Treatment in the financial statements of the Transferor Company

Upon the Scheme becoming effective:

- (i) The transferor company shall account for the extinguishment of obligation pertaining to the existing debentures and issuance of equity shares in accordance with Ind AS including but not limited to Ind AS 109 – *Financial instruments*. This would specifically include:
- debiting the existing debentures at the amortised cost;
  - crediting the consideration issued in the form of equity share capital i.e. equity share capital representing the face value of equity shares and securities premium, representing the difference between fair value and face value of the equity shares;
  - Difference, if any, would be accounted through the statement of profit or loss.

### 8.2 Accounting Treatment in the financial statements of the Transferee Company

Upon the Scheme becoming effective:

- (i) In the standalone financial statements, the transferee company shall account for assumption of obligation pertaining to the debentures at the amortised cost computed in accordance with Ind AS including but not limited Ind AS 109 – *Financial instruments* read with Ind AS 27 – *Separate financial statements*. This would specifically include:



- a. debiting investment in the transferor company at fair value;
  - b. crediting the obligation for new debentures at amortised cost determined by appropriately considering the cost and expenses incurred for issuance of the debentures;
  - c. difference if any between (a) and (b) would be accounted through the statement of profit or loss (if credit) and deemed investment in the transferor company (if debit).
- (ii) In the consolidated financial statements, the transferee company shall account for the transaction based on Ind AS 103 – *Business combinations*, read with other relevant accounting standards.

#### PART – D

##### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

#### 9. Amendment to the memorandum of association of the Transferor Company

9.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, following clause of the memorandum of association of the Transferor Company shall stand amended as follows:

A. Clause V of the Memorandum of Association shall stand amended as follows:

*“The authorized Share Capital of the Company is Rs. 1200,00,00,000 (Rupees Twelve Hundred Crores only) divided into 1200,00,00,000 (Twelve Hundred Crores) Equity Shares of Re. 1 each...”*

9.2 It shall be deemed that the members of the Transferor Company have also resolved and accorded all relevant consents under section 13 of the Companies Act 2013. It is clarified that there shall be no need to pass a separate members' resolution as required under section 13 of the Companies Act 2013, for the amendment of the memorandum of association of the Transferor Company as above.

#### PART – E

##### GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

#### 10. Application to the Central Government

10.1 The Transferor Company and the Transferee Company shall make all necessary applications and filings to the Central Government for sanctioning of this Scheme.



10.2 The Transferor Company and the Transferee Company shall, with reasonable dispatch, apply to the Central Government for necessary orders or directions for holding/dispensation meetings of the members of the Transferor Company and the Transferee Company for sanctioning this Scheme under Section 230 of the Act or for dispensing the holding of such meetings and orders under Section 230 of the Act, for carrying this Scheme into effect.

11. **Modifications or amendments to this Scheme**

11.1 Prior to approval of the Scheme, the Transferor Company and the Transferee Company through their respective Board of Directors (including any committee of Directors or any other authority who may be delegated such powers by the Board of Directors) are hereby empowered and authorized to assent from time to time to any modifications or amendments or substitution of this Scheme or to any conditions or limitations which the Central Government or any other statutory authorities or Government Authority may impose and to settle all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things as may be necessary for putting this Scheme into effect.

11.2 The Transferor Company and the Transferee Company, through their respective Board of Directors, are hereby empowered and authorized to amend, substitute, withdraw this Scheme or any part thereof prior to the Effective Date in any manner and at any time.

11.3 In the event that any conditions are imposed by the Central Government or any authorities, which the Board of Directors of the Transferor Company and the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw this Scheme or any part thereof.

12. **Corporate Approvals**

12.1 It is clarified that the approval to the Scheme by the shareholders of the Transferor Company and the Transferee Company under Section 230 of the Act shall be deemed to be their approval under the applicable provisions of any Applicable Law including but not limited to the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 in relation to the subject matter of this Scheme and no separate approval from the shareholders to that extent shall be required to be sought by the Transferor Company and the Transferee Company.

13. **Scheme conditional upon**

13.1 This Scheme being sanctioned by the Central Government.



- 13.2 Certified/ authenticated copies of the order sanctioning this Scheme being filed with the RoC by the Transferor Company and Transferee Company.
- 13.3 The Transferee Company receiving the certificate of registration as a systemically important core investment company under the Core Investment Companies (Reserve Bank) Directions, 2016 from the Reserve Bank of India together with prior approval of Reserve Bank of India for issuance of GSIL Debentures.
- 13.4 The Transferor Company receiving the approval from National Stock Exchange of India Limited pursuant to regulation 59 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement), 2015.
- 13.5 All other sanctions or approvals under any law or any other person or authority concerned being obtained in respect of any of the matters provided for or relating to this Scheme for which such sanction or approval is required.

14. **SEVERABILITY**

- 14.1 If any provision(s) of this Scheme, in the opinion of the Central Government or Board of Directors of the Transferor Company and the Transferee Company, is found to be unviable for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/ or provisions of this Scheme.

15. **EFFECT OF NON-RECEIPT OF APPROVALS**

- 15.1 In case the Central Government does not approve any provision(s) of this Scheme, the Board of Directors of the Transferor Company and the Transferee Company may declare such provision(s) under this Scheme as severable and accordingly shall be deleted from this Scheme. Such amended or modified Scheme excluding the severable and deleted portion shall continue to be effective.
- 15.2 If any provision(s) of this Scheme is invalid, ruled illegal by any court of competent jurisdiction or Government Authority, or unenforceable under present or future laws, then the intention of the Transferor Company and the Transferee Company, that such provision be severed from the remainder of this Scheme, shall prevail. Further, if the deletion of such provision(s) of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and/ or the Transferee Company, then in such case the Transferor Company and/ or the Transferee Company shall attempt to bring about a modification in this Scheme, as shall best preserve for the Transferor Company and the Transferee Company the benefits and obligations of this Scheme, including but not limited to such provision(s).





16. COSTS, CHARGES AND EXPENSES

16.1 All costs, charges and expenses in relation to or in connection with or incidental to this Scheme shall be borne and paid by the Transferee Company



## ANNEXURE I

EXISTING DEBENTURES

Sr. No.	ISIN No.	Total No. of NCDs	Face Value (Rs.)	Allotment Date	Tenure
1	INE065L08017	10000	10,00,000/-	21-09-2012	8
2	INE065L08025	10000	10,00,000/-	01-10-2012	10
3	INE065L08041	20000	10,00,000/-	22-03-2013	15
4	INE065L08033	10000	10,00,000/-	28-09-2012	60
5	INE065L08058	10000	10,00,000/-	22-03-2013	60



ANNEXURE 2

PART - A

Terms For Issuance of GSIL Series 1 Debentures to Existing Series 1 Holders

- A. Nature of Instrument: Non-Convertible Debentures – 1 GSIL Series 1 Debenture shall be issued against each Existing Series 1 Debenture
- B. Face Value: INR 10,00,000/-
- C. Maturity / Redemption Date: September 21, 2020
- D. Interest Rate: 9.39 Percent Per Annum
- E. Interest Payable Semi-Annually
- F.

PART - B

Terms For Issuance of GSIL Series 2 Debentures to Existing Series 2 Holders

- A. Nature of Instrument: Non-Convertible Debentures – 1 GSIL Series 2 Debenture shall be issued against each Existing Series 2 Debenture
- B. Face Value: INR 10,00,000/-
- C. Maturity / Redemption Date: October 1, 2022
- D. Interest Rate: 9.45 Percent Per Annum
- E. Interest Payable Semi-Annually
- F.

PART - C

Terms For Issuance of GSIL Series 3 Debentures to Existing Series 3 Holders

- A. Nature of Instrument: Non-Convertible Debentures – 1 GSIL Series 3 Debenture shall be issued against each Existing Series 3 Debenture
- B. Face Value: INR 10,00,000/-
- C. Maturity / Redemption Date: March 22, 2028
- D. Interest Rate: 9.03 Percent Per Annum
- E. Interest Payable Semi-Annually
- F.

PART - D

Terms For Issuance of GSIL Series 4 Debentures to Existing Series 4 Holders



- A. Nature of Instrument: Non-Convertible Debentures – 1 GSIL Series 4 Debenture shall be issued against each Existing Series 4 Debenture
- B. Face Value: INR 10,00,000/-
- C. Maturity / Redemption Date: September 28, 2022
- D. Interest Rate: 9.45 Percent Per Annum
- E. Interest Payable Semi-Annually
- F.

PART – E

Terms For Issuance of GSIL Series 5 Debentures to Existing Series 5 Holders

- A. Nature of Instrument: Non-Convertible Debentures – 1 GSIL Series 5 Debenture shall be issued against 1 Existing Series 5 Debenture
- B. Face Value: INR 10,00,000/-
- C. Maturity / Redemption Date: March 22, 2025
- D. Interest Rate: 9.45 Percent Per Annum
- E. Interest Payable Semi-Annually
- F.

ANNEXURE 3

NEW TERMS

- A. In case of Transferee Company not having received the RBI Exemption, all the Existing Holders except the Small Debenture Holders shall be issued relevant series of GSIL Debentures in accordance with the relevant terms mentioned in Annexure – 2 above.
- B. In such an event, the Small Debenture Holders in each of the series of Existing Debentures shall be issued corresponding series of GSIL Debentures in accordance with the terms of such corresponding series of GSIL Debentures as narrated in relevant Part of Annexure 2 along with security of the Transferee Company fully securing the investment of Small Debenture Holders as envisaged in Para 2 (iii) of Annex – IV to the CIC Regulations.
- C. By way of an example as to how issuance envisaged in B above shall operate, it is clarified that (i) Small Debenture Holders holding Existing Series 1 Debentures shall be issued GSIL Series 1 Debentures on the terms set forth in Part A of Annexure 2 to this Scheme along with security of the Transferee Company fully securing the investment of Small Debenture Holders as envisaged in Para 2 (iii) of Annex – IV to the CIC Regulations; (ii) Small Debenture Holders holding Existing Series 2 Debentures shall be issued GSIL Series 2 Debentures on the terms set forth in Part B of Annexure 2 to this Scheme along with security of the Transferee Company fully



securing the investment of Small Debenture Holders as envisaged in Para 2 (iii) of Annex – IV to the CIC Regulations – so on an so forth.



ANNEXURE 4

EXCHANGE RATIOS

- A. Transferee Company shall assume the Obligations pertaining to Existing Debentures in consideration of the Transferor Company issuing its Shares to the Transferee Company.
- B. Such Shares shall be issued to the Transferee Company at the current Fair Market Value of the Shares of Transferor Company being Rs. 8.01 per Share as certified by M/S BSR & Associates LLP (KPMG) as the Registered Valuer.
- C. Accordingly, 749,06,36,704 Shares of face value of Re. 1 Each at Fair Market Value of Rs. 8.01 each shall be issued by Transferor Company to Transferee Company against Obligations pertaining to a total of 60,000 Existing Debentures being assumed by the Transferee Company.
- D. The Share Exchange Ratio is thus worked out to be 124844 Shares for every 1 Existing Debenture.

