

## **Memorandum of Association**

**of**

### **The State Trading Corporation of India Limited**

- I. The name of the Company is "The State Trading Corporation of India Limited"**
- II. The registered office of the Company will be situated in the State of Delhi.**
- III. The objects for which the Company is established are :—**

#### **(A) MAIN, ANCILLARY AND INCIDENTAL OBJECTS**

1. To organise and undertake trade generally with State Trading countries as well as other countries in commodities entrusted to the Company for such purpose by the Union Government from time to time and to undertake the purchase, sale and transport of such commodities in India or any where else in the world.
2. To undertake promotion of exports generally including exports to existing markets whether of traditional commodity or any other, to explore new markets for traditional items of export and develop exports of new items with a view to maintaining, diversifying and expanding the export trade.
3. To undertake at the instance of the Union Government import and / or internal distribution of any commodities in short supply with a view to stabilising prices and rationalising distribution.
4. To generally implement such special arrangements for import, export, internal trade and / or distribution of particular commodities as the Union Government may specify in the public interest.
5. To barter, exchange, pledge, manipulate, treat, prepare and deal in merchandise, commodities and articles of all kinds and to carry on any kind of commercial and/or financial business as the Company may determine from time to time.

6. To buy, sell, exchange, instal, work, repair, alter, refine, improve, manipulate, prepare for market, let out on hire, plants, machinery, equipment, works, vehicles, apparatus and appliances, boats, barges, lighters, bulk carriers etc., which are necessary or convenient for carrying on any business which the Company is authorised to carry on or is required by any customers of or persons dealing with the Company or which may seem to the Company capable of being profitably dealt with by the Company and to experiment with and to render marketable, process, convert, fabricate and manufacture such articles, commodities and goods as may be necessary or may seem to the Company capable of being undertaken conveniently in furtherance of its objects or may be calculated directly or indirectly to enhance the value of such articles, commodities and goods.
7. To carry on any other business, whether trading or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
8. To purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company.
9. To purchase, acquire, take on lease, rent, let out on hire, build, construct, execute, carry out, equip, improve, work, develop, administer, manage maintain, enlarge, pull down, remove, replace, rebuild in India and/or elsewhere, work and conveniences of all kinds, which expression includes, among other things, roads, railway sidings, jetties, piers, wharfs, bridges, canteens, warehouses, stores, buildings, offices and/or residential, place of recreation for employees and to pay for survey preliminary or otherwise, and for experiments etc., and to pay or contribute to the expenses of acquiring, constructing, maintaining, improving any such works and conveniences.
10. To construct buildings, erect, maintain and carry on either by the Company or other parties, any works or undertakings of any description whatsoever, either upon lands acquired by the Company or upon other lands.
11. To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets d' invention, trade marks, designs, licences, concessions, and the like, conferring any exclusive or nonexclusive or limited right to their use, or any secret

or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem to be calculated directly or indirectly to benefit the Company, and to use, exercise develop, or grant licences in respect of or otherwise turned to account the property, rights or information so acquired and to expend money in experimenting upon testing or improving any such patents, inventions or rights.

12. To acquire and undertake the whole or any part of the business, property and or liabilities of any persons or company carrying on or proposing to carry on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of the Company, or business which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
13. To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, joint marketing or reciprocal concession or for limiting competition with any person or company carrying on or engaged in or about to carry on or engaged in any business or transaction which the Company is authorised to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
14. To improve, manage, develop, grant rights or privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
15. To subscribe for, take or otherwise acquire and hold shares, stock, debentures or other securities of any other Company, Co-operative Society or Society registered under the Societies Registration Act 1860.
16. To invest and deal with the moneys of the Company not immediately required in any manner as the Company may determine from time to time.
17. To lend and advance money or give credit to such persons or companies and on such terms as may seem to be expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities.

18. To receive money on deposit not amounting to Banking transactions or on loan and borrow or raise money from any person or Bank or company or Government in such manner and to such extent as the Company thinks fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company [both present and future] including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company, as the case may be.
19. To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debenture, and other negotiable or transferable instruments.
20. To enter into any arrangements with any government or authorities, municipal, local or otherwise that may seem to be conducive to the objects of the Company or any of them, and to obtain from any such governments, authority, person or company any rights, privileges, charters, contracts, licences and concessions which the Company may think is desirable to obtain and to carry out, exercise and comply therewith.
21. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory provident and or pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependents of any such persons and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated by the Company to be for the benefit of or to advance the interest and well being of the employees of the company or of any such other company as aforesaid and make payments to, or towards the insurance of any such persons as aforesaid, and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
22. To provide for the welfare of employees or ex-employees of the Company and their wives and families and the wives and families of their dependents or connections by building or contributing to the building of houses or dwellings, or by grants-in-aid, pensions, allowances, bonus



or other payments, and by providing or subscribing or contributing towards buildings and maintenance of places of instruction and recreation, hospitals and dispensaries, medical and other assistance as the Company may think fit, and to subscribe or otherwise to assist, or to grant money to charitable, benevolent, religious, scientific, national, public or other institutions, objects or purposes. Provided such institutions proposed to be helped with money are not pure political party organisations.

23. To procure and arrange for registration, incorporation or recognition of the Company in or under the laws in any part of the world outside India, to establish and appoint branches or agencies of the Company at any place in India or elsewhere and to discontinue the same, and to do all acts necessary for carrying on in any colony, dominion or foreign country, any business of the Company, to petition either singly or jointly with other legislatures, authorities, local, municipal and other bodies, British, colonial or foreign, for the purpose of getting enacted acts or obtaining decrees, interests, orders, rights and privileges that are conducive to the interest of the Company or to protest against petitions and transactions as are likely to be prejudicial to the interests of the Company and to take such steps as may be necessary to give the Company the rights and privileges in any part of the world as are possessed by local companies or partnership of a similar nature.
24. To establish, promote, undertake or concur in the formation of or establishing or promoting any company or companies or any institutions for the purpose of acquiring all or any of the property, rights and liabilities of this Company or other companies or for any other purpose which may seem directly or indirectly calculated to benefit the Company or from any subsidiary company or companies and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other company.
25. To promote and establish, organisation, advisory boards, and other suitable bodies as may be deemed necessary in order to carry out the aforesaid objects of the corporation effectively.
26. (a) To sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of Company or any part thereof for such consideration as the Company may think fit.  
  
(b) To transfer, if the Company thinks fit, without consideration any property assets or undertaking of the Company or any part thereof to any company the share capital of which has been entirely subscribed by the Central Government.

27. To act as agents, indentors or/and as trustees for any person or company or government and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world, alone or jointly with others and either by or through agents, sub-contractors, trustees or otherwise.
28. To undertake and execute any trusts, the undertaking of which may seem to benefit the Company either gratuitously or otherwise.
29. To adopt such means of making known the commodities in which the Company deals or is interested as may seem expedient and in particular by advertising in the Press, by circulars, by purchase and exhibition of works of art or interest by publication of books and periodicals and by granting prizes, rewards and donations.
30. To hold or assist in holding exhibitions in India and elsewhere of the products and articles in which the Company is interested.
31. To collect and circulate statistics and other information relating to trade, commerce and industry.
32. To establish, provide, maintain, conduct subsidise, undertake, carry on and promote studies, research laboratories, experimental workshop for scientific and technical researches and experiments, tests of all kinds and scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops libraries, lectures, meetings, and conferences and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award, scholarship, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered by the Company likely to assist in business which the Company is authorised to carry on.
33. To create, or to contribute to any depreciation fund, reserve fund, sinking fund, insurance fund, development or any other special fund including funds for payment of subsidies whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for amortisation of capital or for any other purpose conducive to the interest of the Company.

34. To act as Insurers or Underwriters of the property of the Company either wholly or partially, and either solely or together with another or other person or persons or body or bodies, and to insure the whole or any part of the property of the Company either fully, or partially, to protect and indemnify the Company from liability or loss in respect thereof, either fully or partially, and also to insure and protect and indemnify either on mutual principle or otherwise, and to accept the whole or any part of the marine risk and liability of the Company as underwriters.
35. To manufacture, store, maintain, sell, buy, repair, alter, exchange, let on hire, export, import, and deal in all kinds of articles and things (including all kinds of conveyance and all component parts, fittings, tools, implements, accessories, materials, and all articles and things used or capable of being used in connection therewith in any way whatsoever) which may be required for the purposes of any business of the Company or are commonly supplied or dealt in by persons engaged in any such business and which may be capable of being profitably dealt with in connection with any of the business of the Company.
36. To acquire, establish, construct, provide and maintain and administer factories, townships, estates, railway sidings, building yards, wells, water reservoirs, channels, pumping installations, purifications plants, pipe lines, landing grounds, hangars, garages, storage, sheds and accommodation of all description in connection with the business of the Company.
37. To purchase, charter, hire, build or otherwise acquire vehicles and vessels of any or every sort or description for use on or under land or water or in the air and to employ, equip and load the same for the carriage of merchandise of all kinds of passengers, and to let out, to hire and to trade with any such vehicles, vessels or any part thereof when not required for the Company's business at such rates of freight and on such terms as may be considered advantageous to the Company.
38. To employ and pay experts, Indian and foreign consultants etc., in connection with the business of the Company.
39. To subsidise or contribute to or otherwise assist in or take part in the construction, maintenance, improvement, management, working, control or superintendence of any operations or works or buildings useful or expedient or convenient or adoptable for the purposes of the Company which may be constructed by or may belong to or be worked

- by under the control or superintendence of others and to subsidise or otherwise assist any persons or companies responsible for or concerned or entrusted in any undertaking or operation in conjunction with the Company.
40. To buy, sell, carry on the business of manufacture and deal in goods, ware and merchandise including all convenience of necessaries of life which may be used or required by workmen or others whether employed by the Company or not and to open and keep shops or stores, and generally to carry on manufacturing, trading or other business.
  41. To establish, maintain and operate hospitals, dispensaries, first aid centres and other medical institutions, public health installations, markets, shops and stores, clubs, cinemas and entertainment places, motor transport services, housing colonies, hotels and restaurants, guest houses, hostels, dhobykhanas, dairies, fire service stations for the benefit of employees and their families and others.
  42. To form, incorporate or promote any Joint Stock Company, or companies for carrying into effect any of the objects of this Company and to take or otherwise acquire and hold shares in any such company and generally in any company the business of which is capable of being conducted so as directly or indirectly to benefit this Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation.
  43. To remunerate any persons, firm or company for services rendered or to be rendered in obtaining subscriptions for or placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscription of or the placing of any of shares in the capital of the Company or any bonds, debentures, obligations or securities of the company or any stock, shares, bonds, debentures, held or owned by the Company or in which the company may have an interest or in or about the formation of any other company or in which the Company may have any interest.
  44. To obtain order, or Act of the Legislature in India. U.K. or other places, or order, Act or authority from the authorities of any country, State or Dominion for enabling the Company to obtain all powers and authorities necessary, or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.



45. To apply the assets of the Company in any way or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally and particularly with the trade including any association, Institution or fund for the protection of the interests of masters, owners and employers against loss by bad debts, strikes, combinations, fire accident or otherwise or for the benefits of any clerks, workmen or others at any time employed by the Company or any of its predecessors, business or their families or dependents.
46. To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
47. To dedicate, present or otherwise dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museum, corporation or authority, any trustees on behalf of any of the same or of the public.
48. To distribute among the members, in specie any property of the Company or any proceeds of sale or disposal or any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
49. To purchase, take on lease, or otherwise acquire, any mines, mining rights and metalliferous land in the country or elsewhere and any interest thereto, to explore, develop and operate the same, and/or to enter into any partnership, collaboration, contract or understanding with any other party for all or any of the mining operations or development work or work relating to safety and sustainability of the mines.
50. To crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate and prepare for market, ore, metal, and mineral substances of all kinds, any to carry on any other metallurgical operations which may seem conducive to any of the company's objects.
51. To organize and undertake forward trading, hedging or any other type of trading activity including online trading in foreign exchange, commodities, products, equipments, information technology, communication infrastructure including hardware and software, emissions credits.

52. To purchase, take on rent or lease or otherwise acquire any real estate either for setting up its offices, warehouses, other trade infrastructure, housing or other facilities for employees or for improving, developing, selling, giving on rent or lease or transacting in real estate in any other way in the interest of the company.
53. To take up all or any one or more of the above objects simultaneously or one after the other or to keep any one or more of the objects in abeyance for any period of time if and when necessary.
54. It is hereby declared that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons whether incorporated or not incorporated.
55. To do all such other things that the Company may consider are incidental to, or may think conducive to the attainment of the above objects or any of them.

Clause 49 to 52 added and earlier clauses 49 to 51 re-numbered as 53 to 55, approved through postal ballot dated 04.05.2009

#### **(B) Other Objects**

1. To undertake the processing, conversion, fabrication, manufacture and production of particular categories of goods, commodities, merchandise and articles as may be directed by the Union Government from time to time.
2. To instal, set up, construct, acquire, purchase, hire, maintain, run, operate and establish in India and/or abroad such machinery, plants, works, factories, equipments, apparatus and appliances and to do such other act as may be necessary, ancillary and incidental to and/or convenient for the Company for the above object.

**IV.** The liability of the members is limited

**\*\*V.** The capital of the company is Rs. 200,00,00,000 (Rupees Two Hundred crore) divided into 20,00,00,000 (twenty crore) shares of Rs. 10 (Rupees ten) each.\*

We, the several persons whose names and addresses are subscribed are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, addresses, description and occupations of subscribers	No. of shares taken by such subscribers	Signature	Witness
1. President of India (H.V.R. IENGAR) Secretary, Ministry of Commerce & Industry, New Delhi, for and on behalf of the President of India.	4998		
2. (K.B. LALL) Joint Secretary, Ministry of Commerce & Industry New Delhi.	1		
3. (SATISH CHANDRA) Joint Secretary, Ministry of Commerce & Industry, New Delhi	1		

Dated the 18th day of May, 1956.

\*Originally Rs. 1 Crore which was raised as follows :

1958 - 59 - to Rs. 5 crores

1970 - 71 - to Rs. 15 crores

1982 - 83 - to Rs. 30 crores The shares sub-divided from Rs. 100 to Rs. 10 as approved at E.G.M. on 31.1.92

\*\*As amended at the AGM held on 26.09.2007

IN THE HIGH COURT OF DELHI  
**Original Jurisdiction**  
In the matter of Companies Act, 1956

AND

In the matter of  
**State Trading Corporation of India**  
*Company Petition No. 55-D of 1965*  
*connected with*  
*Company Application No. 41 - D/66*  
*order on petition*

**The State Trading Corporation of India Ltd.....Petitioner**

Before the Hon'ble Mr. Justice H.R. Khanna,  
Dated the 31st March, 1967

The above petition coming on for hearing on 31st March 1967 upon reading the said petition, the order dated 11-3-66 whereby the said company was ordered to convene separate meeting of the creditors and the members of the above named company for the purpose of considering and if though fit, approving, with or without modification the compromise or arrangement proposed to be made between the said company and its members and creditors and annexed to the affidavit of Shri P.N. Aggarwal, son of late Rao Bahadur C.P. Aggarwal, filed the 1st December, 1965, the Hindustan Times, New Delhi dated 5th April, 1966, the Times of India, Bombay, dated 8th April 1966, the Hindu Madras, dated the 7th April, 1966, the Statesman Calcutta, dated the 10th April, 1966, the Indian Express, Delhi dated the 7th April, 1966 and the Gazette of India dated the 16th April 1966, each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated the 11th March, 1966, the affidavit of Shri K.P.U. Menon, Director of State Trading Corporation of India Ltd., filed the 25th Day of April 1966 showing the publication and despatch of notices convening the said meetings, the reports of the Chairman of the said meetings respectively dated the 30th April, 1966 and the 7th day of May, 1966 as to the result of the said meetings, and upon hearing M/s. Ravinder Narian and Keshav Dayal, Advocates for the petitioners and Mr. Satish Chander for the Registrar of Companies and the Central Government and it appearing from the reports that the proposed compromise or arrangement has been approved unanimously by the members and the creditors present and voting in person or by proxy.

This Court doth hereby sanction the compromise or arrangement mentioned in para 5 of the application herein and in Schedule hereto, and doth hereby declare the same to be binding on the members and the creditors of the company and also on the said company. And this Court doth further order :—



That the parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the compromise or arrangement and that the said company do file with the Registrar of Companies a certified copy of this order within 14 days from this date.

### **SCHEDULE**

Scheme of compromise or arrangement as sanctioned Scheme of arrangement between the State Trading Corporation of India Limited, a private Scheme limited company, with its registered office at 9-10, Mathura Road, New Delhi, and its members and creditors.

#### **Preliminary**

- A. The State Trading Corporation of India Ltd. was established as a private limited company under the companies Act, 1956, with an authorised capital of Rs. 1 crore divided into 1 lakh equity shares of Rs. 100/-each which was subsequently raised to Rs. 5 crores divided into 5 lakhs equity shares of Rs. 100/- each, initially, the paid up capital was Rs. 5 lakhs; it was raised to Rs. 10 lakhs in October 1956; to Rs. 1 crore in March, 1957, and to Rs. 2 crores during 1958-59. A list of the shareholders as on September 30, 1963 is given in the First Schedule annexed hereto. On September 30, 1963, the Company was handling the export of mineral ores, such as, iron ore, manganese ore etc., consumer goods and manufactured articles such as jute goods, woollens, fabrics, shoes, salt etc. and import and distribution of commodities, such as non-ferrous metals, steel, chemicals, fertilizers etc.
- B. The company has not issued any debentures constituting a charge on the undertaking and all or any of the properties and assets of the company.
- C. The Company has a cash credit account with the State Bank of India, New Delhi, which has been secured by a promissory note given by the Company and by a guarantee of the Government of India in the Ministry of International Trade (Now the Ministry of Commerce) and the drawals in the said cash credit account stood on September 30, 1963 at Rs. 1,81,73,957.18.
- D. The Company does not own any immovable property.

- E. Pursuant to the decision of the Government of India, a private company viz. the Minerals and Metals Trading Corporation of India Ltd. was registered on September 26, 1963. The authorised capital of this Company is Rs. 5 crores divided into 5 lakhs equity shares of Rs. 100/- each of which 2 lakhs of shares of the value of Rs. 2 crores have been subscribed and allowed. A list of the share-holders of this Company as on September 30, 1963, is given at the seventh Schedule annexed hereto. "This company was formed with the object of organising and undertaking exports from India of minerals, ores and concentrates and other allied commodities and imports into India of metals including iron, Steel and their alloys and semi manufactures (and industrial raw materials required in processing iron and steel for industrial and or domestic use) and other allied commodities and to implement such special arrangements such as liked deals and barter for import, export, internal trade and/or distribution of minerals, ores, and concentrates, metals including iron and steel and their alloys and semi manufactures as the Government of India may specify from time to time in the public interest. With this object in view, the company acquired and took over the business and trade of the STC of India Ltd. pertaining to the minerals, ores, concentrates, metals and allied commodities."
- F. At the Annual General Meeting held on 30th September, 1963, the shareholders of the State Trading Corporation of India Ltd. adopted a special resolution to transfer to the Minerals and Metals Trading Corporation of India Ltd. the business and trade of the State Trading Corporation pertaining to minerals, ores, concentrates, metals and allied commodities and the Minerals and Metals Trading Corporation of India Ltd. vide their resolution dated 1.10.1963 decided to acquire, take over and conduct the business and trade in these commodities.

#### **SCHEME**

- a) The State Trading Corporation of India Ltd. shall hereinafter be called "the transferor Company."
  - b) The Minerals and Metals Trading Corporation of India Ltd. shall hereinafter be called "the Transferee Company".
  - c) The first day of October, one thousand nine hundred and sixty three shall hereinafter be called "the date of transfer."
- 2 The provisions of this scheme shall be applicable only to or in relation to that part of the undertaking of the Transferor Company as pertains to its business and trade in minerals ores, concentrates, metals and other allied commodities more fully and accurately described in the second Schedule attached to this Scheme.

3. Upon this Scheme becoming operative all rates powers, claims, demands, interests, authorities, privileges, provisions, benefits, book debts, mortgage debts and other debts with the the benefit of the securities or any guarantee therefor and all other property rights of every description including all rights of action whatsoever and wheresoever situated at that part of the undertaking of the Transferor Company pertaining to its business and trade in minerals, ores, concentrates, metals and other commodities, more fully and accurately specified and described in the second Schedule attached to this Scheme (hereinafter referred to as "the Transferred business") as at the beginning of the Date of Transfer, subject to the other provisions of this scheme, shall stand transferred to and become or be deemed to have been transferred to or to have become the properties and assets of the transferee Company, subject to all subsisting encumbrances thereon; and all the liabilities, and provisions, duties and obligations of or in relation to the transferred business of the Transferor Company as on the date of Transfer shall be and shall become or shall be deemed to be or to have become the liabilities, duties and obligations of the Transferee Company.'
4. A sum of Rs. 40944.00 out of the Development Rebate Reserve (figures arrived at on the basis of the assets transferred to the Transferee company) and 50% of the aggregate of amounts standing in the various other reserves in the balance sheet of the Transferor Company as on the 30th September, 1963 as indicated in the third Schedule appended hereto, is proposed to be transferred and vested in the transferee company to be utilised in such manner and at such time as the transferee company deems necessary for carrying on its business or incidental to carrying on its business.
5. Without prejudice to the generality of the foregoing provisions all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature in so far as they pertain to the Transferred Business, subsisting or having effect immediately before the date of Transfer shall be effective against or in favour of the Transferee company and may be acted upon as if instead of the Transferor Company the Transferee Company had been a party thereto or as if they had been issued in favour of the Transferee Company.
6. a) Any suit, appeal or other legal proceedings of whatever nature by or against the Transferor Company pertaining or relating to the Transferred Business pending on the date of Transfer shall be prosecuted and enforced by or against the transferee Company.  
b) Any right to institute a suit, action or legal or other proceeding pertaining to or in relation to the Transferred Business which ensured to the Transferor Company on or before the date of Transfer shall be or become or shall be deemed to be or to have become the right of the Transferee Company and the Transferee Company shall be the proper person to institute or defend the suit, action or proceedings.

7. The Transferee Company shall have the right of power and authority to do all such acts and to take all such steps, incidental consequential or necessary to secure full and effective transfer of all the properties, assets and liabilities and obligations transferred under this scheme.
8. a) The value of all assets, properties and liabilities whatsoever pertaining to the transferred Business as on the date of Transfer, except the stock - in-trade shall be the value as given respectively to them in the Schedule attached to this Scheme, being their value as shown in the books of the Transferor Company as on that date.  
  
b) The valuation of the assets and the determination of the liabilities in accordance with the foregoing provisions shall be final and binding on both the Companies and the members and creditors of both the Companies.
9. a) The excess of the total value of the assets (including the reserves proposed to be transferred under paragraph 4 of this Scheme) over the total value of the liabilities as on the date of Transfer less the sum of rupees two crores which has already been paid by the Transferee Company to the Transferor Company shall be treated as a loan. The aforeaid excess shall be paid by the Transferee Company to the Transferor Company in three half yearly instalments on the following dates.  
  
October 1. 1955, April 1, 1966 and Oct. 1966.
10. a) The existing offices and posts shall be allocated between the two Companies as shown in the sixth Schedule attached to this Scheme.  
  
b) All the employees of the Transferee Company employed on September 30, 1963, in or in relation to the transferred Business and whose office or posts have been allotted to the Transferee Company under the Sixth Schedule to this Scheme (such employees being hereinafter referred to as the 'transferred employess') shall continue in service under and be deemed to have been appointed by the Transferee Company, from the date of their initial employment. Claims, if any, accruing to any transferred employee based on/ or relating to any period of his service prior to the date of Transfer shall be met by the Transferee Company.
11. The Trustees of the Provident Fund constituted for the employees of the Transferor Company shall, or as soon as possible after the date on which this scheme come into operation, transfer to the Trustees of the Provident Fund constituted or to be constituted for the employees of the Transferee Company or otherwise as the transferee Company may require all the monies or investments held immediately before the date of Transfer in



trust for the benefit of the employees whose services have been transferred to the Transferee Company in Terms of this scheme. Provided that the Trustees of the Employees, Provident Fund of the Transferee Company shall not be liable for any deficiency in the value of investments or in respect of any act, neglect or default done before the Date of Transfer.

12. a) All rights, obligations and claims relating to the Transferred Business transferred employees or arising out of transfer of business whether relating to the period prior to the transfer or subsequent thereto shall accrue to the Transferee Company, and should for any technical, legal or other reasons the transferor company be required to meet any liability for the period prior to the date of transfer relating to the transferred Business or the transferred employees, the Transferee Company shall reimburse fully the transferor Company all amounts and expenses incurred by it in meeting such liability or liabilities.

b) Without prejudice to the foregoing clause any tax, duty, cess, fee or other statutory liability or obligation of a like nature in relation to any period prior to the Date of Transfer but pertaining exclusively to the Transferred Business, shall be the liability of the Transferee Company and the Transferee Company shall reimburse the Transferor Company or itself meet the entire obligation or liability or any demand in relation thereto, as the case may be should the Transferor Company discharge or be required to discharge at any time on or after the date of transfer any such liability or obligation, the transferor Company shall have the right to recover from or call upon the the Transferee to pay, as the case may be, the full amount of the liability or obligation so discharged or required to be discharged.

13. This Scheme shall become operative as soon as —

a) this scheme shall have been sanctioned by an order of the Court under Section 391 of the Companies Act, 1956 and a copy of the said order shall have been delivered to the Registrar of Companies for registration; and

b) the court shall, either by the order sanctioning the Scheme or subsequent order or orders made under the Companies Act, 1956, have given all necessary directions for enabling this Scheme to be carried into effect.

14. The Transferor Company may consent on behalf of all persons concerned to any modification of this Scheme or to any condition which the Court may think fit to approve or impose.

**SCHEDULE 1****List of Share Holders of S.T.C. as on 30-9-63**

SI. No.	Name	No. of Shares	Value of each share	Total amount
1	2	3	4	5
1.	President of India	199997	100.00	19999700.00
2.	Shri D.S. Joshi, Secretary, Ministry of Commerce	1	100.00	100.00
3.	Secretary, Ministry of Industry	1	100.00	100.00
4.	Shri S. Vohra, Jt. Secretary, Ministry of Commerce	1	100.00	100.00
		<u>200000</u>	<u>                    </u>	<u>2,00,00,000.00</u>

**SCHEDULE II****List of Commodities Transferred to M.M .T.C. as on 30-9-63**

1. Iron Ore
2. Manganese ore
3. Manganese Dioxide
4. Ferro-Manganese
5. Mica
6. Chrome Ore
7. Bauxite
8. Ferro-Vanadium
9. Stainless Steel
10. Copper
11. Zinc
12. Aluminium
13. Lead
14. Tin

### SCHEDULE III

#### Details of Reserves

	Total Reserves as On 30-9-63	MMTC's Share of reserves
1. Development Rebate Reserve	1,17,040.00	40,944.00
2. Other Reserves		
a) Capital Reserve	2,00,000.00	
b) Building Reserve	1,45,00,000.00	
c) Price Fluctuation Reserve	90,00,000.00	
d) Trade Development Reserve	2,69,93,228.73	
e) Insurance Reserve	1,06,23,220.08	
f) Staff Benefit Reserve	14,85,225.59	
g) Fertilizers Development Reserve	22,66,074.58	
h) General Reserve	44,99,141.30	6,95,66,890.28
Total of other Reserves	Total of 1 & 2	3,47,83,445.14
		6,96,83,930.28
		3,48,24,389.14

**Note :**

All reserves except capital Reserve at item 2 (a) and Rs. 2,64,963.16 out of the Reserve mentioned at item No. 2 (g) have been created from the trading profits of the transferor company.

**SCHEDULE IV**

A. Assests	1. Furniture & Fittings	1,30,880.91
	2. Vehicles	73,721.46
	3. Air Conditioners, Fans & Typewriters etc.	1,25,762.50
	4. Plant & Machinery	54,372.06
	5. Stock of Stationery	11,693.63
	6. Sundry Debtors	3,15,63,767.86
	7. Cash Balances	1,996.23
	8. Loans & Advances	1,80,22,665.61
	9. Other Accounts	38,08,121.31
B. Liabilities	1. Sundry Creditors	3,79,76,429.09
	2. Other Liabilites	12,13,545.82
	3. Provisions	1,37,02,172.63

**SCHEDULE V**

**Details of Stock transferred to M.M.T.C. as on 1-10-1963**

1. Iron Ore	1,78,87,531.47
2. Manganese Ore	21,82,760.71
3. Chrome Ore	5,132.90
4. Copper	3,48,34,734.82
5. Zinc	1,06,16,382.83
6. Aluminium	13,04,288.65
7. Lead	8,98,397.06
8. Tin	9,08,278.08
9. Stainless Steel	1,82,524.38
	6,86,20,030.90



**SCHEDULE VI**

**Sanctioned strength as on 1-10-1963 in S.T.C. Head Office**

Sl. No.	Category of Post	Chemicals		Cement		Consumer Goods		Agricultural Products		Total	
		STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC
1	2	3		4		5		6		7	
1.	Divisional Manager	1	-	1	-	1	-	1	-	4	-
2.	Joint Divisional Manager	1	-	1	-	2	-	4	-	8	-
3.	Dy. Divisional Manager	2	-	1	-	3	-	6	-	12	-
4.	Asstt. Divisional Manager	5	-	1	-	2	-	6	-	14	-
5.	Section Officer	3	-	2	-	3	-	4	-	12	-
6.	Assistant	8	-	2	-	3	-	4	-	17	-
7.	Stenographer	5	-	4	-	7	-	10	-	26	-
8.	Upper Div. Clerks	8	-	7	-	11	-	12	-	38	-
9.	Stenotypist	5	-	1	-	3	-	6	-	15	-
10.	Lower Division Clerks	12	-	10	-	10	-	12	-	44	-
11.	Inspector Grade II	-	-	1	-	-	-	-	-	1	-
12.	Demonstrator	-	-	-	-	1	-	-	-	1	-
13.	Daftry	1	-	1	-	1	-	1	-	4	-
14.	Peon	6	-	8	-	8	-	11	-	33	-
		57	-	40	-	55	-	77	-	229	-

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Part of Law Office transferred to MMTC

**N.B.** These Divisions are entirely handling STC's items of trade as such the entire strength of these Divisions have been retained with the S.T.C. and no bifurcation orders were issued.

**SCHEDULE VI**

**Division of strength as on 1-10-1963 between S.T.C. and M.M.T.C. in respect of Head Office**

Sl. No.	Category of Post	Adminis- tration		Finance & Accounts		Economic		Engineering		Minerals		Total	
		STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC
1	2	3		4		5		6		7		8	
1.	Divisional Manager	-	1	-	-	1	-	-	1	-	1	1	3
2.	F.A.&C.A.O.	-	-	1	1	-	-	-	-	-	-	1	1
3.	Additional D.M.	-	-	-	-	-	-	-	-	-	1	-	1
4.	Joint Divisional Manager	-	-	-	-	-	1	1	1	-	4	1	6
5.	Joint Financial Adviser	-	-	-	-	-	-	-	-	-	-	-	-
6.	Dy. Chief Accounts Officer	-	-	2	2	-	-	-	-	-	-	2	2
7.	Transport Adviser	-	-	-	-	-	-	-	-	-	1	-	1
8.	Dy. Divisional Manager	2	2	-	-	1	-	1	1	-	5	4	8
9.	Public Relation Officer	1	-	-	-	-	-	-	-	-	-	1	-
10.	Senior Research Officer	-	-	-	-	1	-	-	-	-	-	1	-
11.	Research Officer	-	-	-	-	2	2	-	-	-	-	2	2
12.	Accounts Officer/A.F.	-	-	6	6	-	-	-	-	-	-	6	6

**SCHEDULE VI**

**Sanctioned strength as on 1-10-1963 in S.T.C. Head Office**

SI. No.	Category of Post	Chemicals		Cement		Consumer Goods		Agricultural Products		Total	
		STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC
1	2	3	4	5	6	7	8	9	10	11	12
1.	Divisional Manager	1	-	1	-	1	-	1	-	4	-
2.	Joint Divisional Manager	1	-	1	-	2	-	4	-	8	-
3.	Dy. Divisional Manager	2	-	1	-	3	-	6	-	12	-
4.	Asstt. Divisional Manager	5	-	1	-	2	-	6	-	14	-
5.	Section Officer	3	-	2	-	3	-	4	-	12	-
6.	Assistant	8	-	2	-	3	-	4	-	17	-
7.	Stenographer	5	-	4	-	7	-	10	-	26	-
8.	Upper Div. Clerks	8	-	7	-	11	-	12	-	38	-
9.	Stenotypist	5	-	1	-	3	-	6	-	15	-
10.	Lower Division Clerks	12	-	10	-	10	-	12	-	44	-
11.	Inspector Grade II	-	-	1	-	-	-	-	-	1	-
12.	Demonstrator	-	-	-	-	1	-	-	-	1	-
13.	Daftry	1	-	1	-	1	-	1	-	4	-
14.	Peon	6	-	8	-	8	-	11	-	33	-
		57	-	40	-	55	-	77	-	229	-

Part of Law Office transferred to MMTC

**N.B.** These Divisions are entirely handling STC's items of trade as such the entire strength of these Divisions have been retained with the S.T.C. and no bifurcation orders were issued.

**SCHEDULE VI**

**Division of strength as on 1-10-1963 between S.T.C. and M.M.T.C. in respect of Head Office**

Sl. No.	Category of Post	Adminis- tration		Finance & Accounts		Economic		Engineering		Minerals		Total	
		STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Divisional Manager	-	1	-	-	1	-	-	1	-	1	1	3
2.	F.A.&C.A.O.	-	-	1	1	-	-	-	-	-	-	1	1
3.	Additional D.M.	-	-	-	-	-	-	-	-	-	1	-	1
4.	Joint Divisional Manager	-	-	-	-	-	1	1	1	-	4	1	6
5.	Joint Financial Adviser	-	-	-	-	-	-	-	-	-	-	-	-
6.	Dy. Chief Accounts Officer	-	-	2	2	-	-	-	-	-	-	2	2
7.	Transport Adviser	-	-	-	-	-	-	-	-	-	1	-	1
8.	Dy. Divisional Manager	2	2	-	-	1	-	1	1	-	5	4	8
9.	Public Relation Officer	1	-	-	-	-	-	-	-	-	-	1	-
10.	Senior Research Officer	-	-	-	-	1	-	-	-	-	-	1	-
11.	Research Officer	-	-	-	-	2	2	-	-	-	-	2	2
12.	Accounts Officer/A.F.	-	-	6	6	-	-	-	-	-	-	6	6

**Leave Reserve Post**

	STC	MMTC
UDC	4	2
LDC	2	1
Stenotypist	1	1
Driver	1	—
Peon	2	1
Total :	10	5
Apprentice Officer	3	2
Grand Total :	13	7



**Division of strength as on 1-10-1963 between S.T.C. and M.M.T.C. in respect of Regional Office**

Sl. No.	Category of Post	Calcutta		Bombay		Madras		Vishaka-patnam		Goa		Total	
		STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC	STC	MMTC
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Regional Manager	-	1	1	-	-	1	-	1	-	1	1	4
2.	Chief Jute Officer	1	-	-	-	-	-	-	-	-	-	1	-
3.	Joint Regional Manager	2	-	-	-	-	-	-	-	-	-	2	-
4.	D.R.M./R.C.O.	4	3	1	1	2	3	-	-	-	-	7	7
5.	Dy. Chief Accounts Officer	1	1	2	-	-	1	-	-	-	-	3	2
6.	Jute Grader	2	-	-	-	-	-	-	-	-	-	2	-
7.	Asstt. Regional Manager	7	5	4	3	2	7	-	-	-	1	13	16
8.	Accounts Officer	1	1	-	-	1	1	-	1	-	1	2	4
9.	Asstl. Grader	2	-	-	-	-	-	-	-	-	-	2	-
10.	Section Officer /J.F.O.	12	6	6	3	3	5	-	2	-	2	21	18
11.	Inspector Grade I	-	3	-	-	-	1	-	1	-	-	-	5
12.	Inspector Grade II	2	5	2	3	2	15	-	3	-	-	6	26
13.	Inspector Grade III	1	12	2	4	3	7	-	-	-	4	6	27

1	2	3	4	5	6	7	8						
14. Stenographers		4	5	4	1	3	4	-	1	-	1	11	12
15. Asstt./Selection Grade Clerks		11	8	2	3	6	7	-	5	-	2	19	25
16. Upper Division Clerks		26	67	26	26	24	48	-	23	-	2	36	166
17. Tally Clerk		19	24	-	4	6	72	-	8	-	8	25	116
18. Stenotypist		4	2	4	2	3	5	2	-	2	-	11	13
19. Godown Keeper		1	-	-	-	-	-	-	-	-	-	1	-
20. Asstt. Godown Keeper		15	-	-	-	-	-	-	-	-	-	15	-
21. Teleprinter Operator		2	-	2	-	-	2	-	-	-	-	4	2
22. Dock Sarkar	27	3	10	-	-	-	-	-	-	-	-	3	10
23. Lower Division Clerks		30	48	27	15	21	45	-	11	-	2	78	121
24. Comptist		1	-	1	-	-	1	-	-	-	-	2	1
25. Telephone Operator		1	2	2	1	-	2	-	-	-	-	3	5
26. Driver		7	5	1	1	4	4	-	1	-	1	13	12
27. Daftri		2	1	1	-	2	2	-	2	-	-	5	5
28. Gestetner Operator		1	-	1	-	-	1	-	-	-	-	2	1
29. Peon		13	28	13	5	12	32	-	10	-	5	38	80
30. Scalemen		12	7	-	-	-	-	-	-	-	-	12	7
31. Darban /watchman		51	24	-	17	5	8	-	4	-	1	56	54
32. Sweeper		3	2	2	1	1	1	-	-	-	-	6	4

1	2	3	4	5	6	7	8						
33. Waler Carriers		1	1	-	-	-	-	-	-	-	-	1	1
34. Accountant		3	5	3	2	2	3	-	3	-	-	8	13
35. Inspector		19	-	-	-	-	-	-	-	-	-	19	-
36. Economic Investigator		-	-	-	-	-	1	-	-	-	-	-	1
37. Cook-cum-Chowkidar		-	1	-	-	1	-	-	-	-	-	1	1
38. Cashier		-	-	-	-	-	-	-	1	-	-	-	1
	Total	264	278	108	92	102	281	-	79	-	33	474	763

**Sanctioned strength divided between STC and MMTC in Bombay Region  
(Field Office Only)**

Sl. No.	Post	Kandla		Nagpur		Reddy	
		STC	MMTC	STC	MMTC	STC	MMTC
1.	Asstt. Regional Manager	-	1	-	-	-	-
2.	Accountant	-	1	-	-	-	-
3.	Junior Field Officer	-	-	-	1	-	-
4.	Inspector Grade II	-	1	-	-	-	1
5.	Inspector Grade III	-	1	-	-	-	1
6.	Stenotypist	-	1	-	-	-	-
7.	U.D.C.	-	6	-	3	-	1
8.	L.D.C.	-	3	-	3	-	1
9.	Tally Clerk	-	2	-	8	-	2
10.	Peon	-	3	-	-	-	-
11.	Driver	-	1	-	-	-	-
12.	Watchman	-	2	-	-	-	-
Total		-	22	-	15	-	6

**SCHEDULE VII**  
**List of shareholders of the M.M.T.C. as on 30-9-1963**

Sl. No.	Name	No. of shares	Value of share	Total Amount
1.	President of India	199997	100.00	1,99,99,700.00
2.	Shri S. Vohra Joint Secretary Ministry of Commerce	1	100.00	100.00
3.	Shri D.S. Joshi Secretary, Ministry of Commerce	1	100.00	100.00
*4.	Shri Govind Narain	1	100.00	100.00
		200000		2,00,00,000.00

**\*N.B.** The share of Shri D.S. Joshi and Govind Narain were allotted after 30th September, 1963.

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Dated this the 31st Day of March, 1967  
Words : 7000  
Costs : 17.50np

True Copy  
Sd/-MCS  
Examiner

**Sd/-Guru Datta**  
**Registrar**

Certified to be True Copy  
Sd/-23-1-68  
Examiner Judicial Department  
High Court of Delhi  
Authorised Under Section 76 Act  
(Indian Evidence Act)