

**COMPOSITE SCHEME OF ARRANGEMENT**

**AMONGST**

**MA KALYANESHWARI HOLDINGS PRIVATE LIMITED**

("MKH" or "Demerged Company" for Part II of the Scheme or "Transferor Company"  
for Part III of the Scheme)

**AND**

**ANJANEY LAND ASSETS PRIVATE LIMITED**

("ALAPL" or "Resulting Company" for Part II of the Scheme)

**AND**

**MAITHAN ALLOYS LIMITED**

("MAL" or "Transferee Company" for Part III of the Scheme)

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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**UNDER THE PROVISIONS OF SECTIONS 230 TO 232 READ WITH SECTION 66 AND  
OTHER APPLICABLE PROVISIONS OF THE COMPANY ACT, 2013**

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**I. PREAMBLE**

This Composite Scheme of Arrangement ("**Scheme**") is presented pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Company Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) for *inter alia*:

- a. Demerger (as defined hereinafter) of the Real Estate and Ancillary Business from Ma Kalyaneshwari Holdings Private Limited ("**MKH**" or "**Demerged Company**") for Part II of the Scheme or "**Transferor Company**" for Part III of the



Scheme) to Anjaney Land Assets Private Limited (“ALAPL” or “Resulting Company” for Part II of the Scheme);

- b. Upon Part II of the Scheme becoming effective, Amalgamation (as defined hereinafter) of Ma Kalyaneshwari Holdings Private Limited (“MKH” or “Demerged Company” for Part II of the Scheme or “Transferor Company” for Part III of the Scheme) with Maithan Alloys Limited (“MAL” or “Transferee Company” for Part III of the Scheme); and
- c. Various other matters incidental, consequential or otherwise integrally connected herewith.

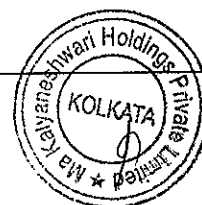
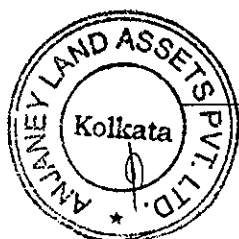
## II. DESCRIPTION OF COMPANY

- A. MKH, formerly known as Bhagwati Syndicate Private Limited, is a private limited company, incorporated under the Companies Act, 1956 and a company within the meaning of the Companies Act, 2013 and having Corporate Identification Number U70100WB1985PTC039654 and having its Registered Office at 4th, Floor, 9 AJC Bose Road Kolkata – 700 017, West Bengal, India.

MKH is registered with RBI (as defined hereinafter) as a Non-Banking Financial Company *vide* Certificate of Registration bearing no. 05.01071.

MKH is the holding company of MAL and presently holds 1,72,70,176 equity shares of face value INR 10 each constituting 59.32% stake in MAL. Presently, MKH has the following two (2) business verticals :

- **Real Estate and Ancillary Business** - Real Estate and Ancillary Business (“REAB”) division of MKH comprises of business activities related to owning and maintenance of immovable properties for leasing/ sale purposes; and
- **Remaining Business** – Remaining Business (“Remaining Business Undertaking”) division of MKH comprises of business of holding investments, purchase and sale of shares & securities including shares held in MAL. As on May 5, 2021, MKH’s Remaining Business holds 1,72,70,176 equity shares of face value INR 10 each constituting 59.32% stake in MAL.



- B. ALAPL is a private limited company, incorporated under the Companies Act, 2013 with Corporate Identification Number U70109WB2021PTC244728 and having its Registered Office at 4<sup>th</sup> Floor, 9 A J C Bose, Kolkata, West Bengal-700017, India.

ALAPL was incorporated to carry on the business of owning and maintenance of immovable properties for leasing/ sale purposes.

ALAPL is a wholly owned subsidiary of MKH.

- C. MAL is a public limited company, incorporated under the Companies Act, 1956 and a company within the meaning of the Companies Act, 2013 and having Corporate Identification Number L27101WB1985PLC039503 and having its Registered Office at 4<sup>th</sup> Floor, 9 A J C Bose, Kolkata, West Bengal-700017, India.

The equity shares of MAL are listed on the National Stock Exchange of India Ltd. ("NSE"), The Calcutta Stock Exchange Limited ("CSE") and are traded on the BSE Limited ("BSE") under the permitted to trade category .

MAL is engaged in the business of manufacturing and selling including exporting of Ferro alloys namely Ferro Manganese, Silicon Manganese and Ferro Silicon. MAL is also engaged in the business of generation electricity through wind turbine.

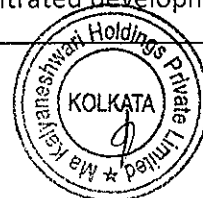
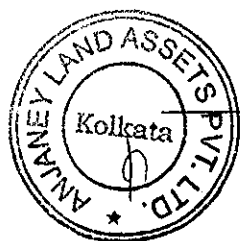
### III. RATIONALE FOR THE SCHEME

The Demerged Company/ Transferor Company, Resulting Company and the Transferee Company are part of the same group. The Scheme is a part of an overall re-organization plan to rationalize and streamline the existing group structure. Further, the Scheme is expected to provide the following benefits:

A. **Rationale for Demerger of the REAB of the Demerged Company into the Resulting Company**

- a) Create focused entity to manage REAB to maximize growth opportunities and build strong capability to effectively meet future challenges in a competitive business environment;

- b) Facilitate focused business approach to achieve concentrated development of

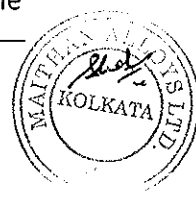
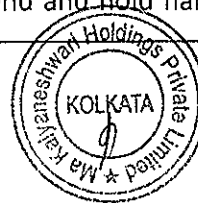
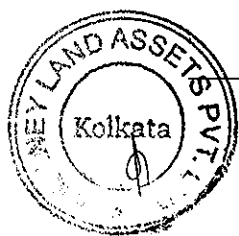


respective business verticals of the Demerged Company and generate operational efficiencies and business synergies;

- c) Segregating the business verticals would enable independent business opportunities and attract different set of investors, strategic partners, lenders, and other stakeholders with greater internal control on business processes/ ease in decision making; and
- d) Unlock value for the stakeholders.

**B. Rationale for the Amalgamation of the Transferor Company with the Transferee Company**

- a) The Amalgamation would lead to simplification of the existing holding structure of the Transferee Company and reduction of shareholding tiers to remove impediments, if any, in facilitating future expansion plans;
- b) The Scheme is not detrimental to the interests of the minority shareholders in any way;
- c) The Promoter Group (as defined hereinafter) of the Transferor Company is desirous of rationalizing and streamlining its holding in the Transferee Company to create transparency over the Promoter Group ownership structure in the Transferee Company;
- d) There would be no change in the aggregate Promoters (as defined hereinafter) holding in the Transferee Company. The Promoters would continue to hold the same number of equity shares in the Transferee Company, pre and post the Amalgamation of the Transferor Company with the Transferee Company and there will be no change in the aggregate shareholding of the Promoter Group;
- e) All costs and charges arising out of the Scheme shall be borne/ reimbursed by the Promoters/ Promoter Group/ entities owned and controlled by the Promoters or Promoter Group of the Transferee Company; and
- f) Further, the Scheme also provides that the Promoters of the Transferee Company will jointly and severally indemnify, defend and hold harmless the



Transferee Company, its directors, employees, officers, representatives, or any other person authorized by the Transferee Company (excluding the Promoters) for any liability, claim or demand, which may devolve upon the Transferee Company on account of the Amalgamation.

#### IV. PARTS OF THE SCHEME

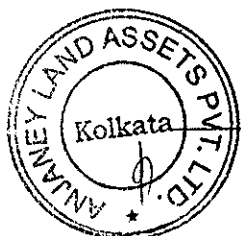
This Scheme is divided into the following parts:

- Part I** : deals *inter-alia* with Definitions, Interpretation and Share Capital;
- Part II** : deals with the Demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, its consideration, accounting treatment and other related matters;
- Part III** : deals with the Amalgamation of the Transferor Company with the Transferee Company, its consideration, accounting treatment and other related matters; and
- Part IV** : deals with general terms and conditions that are applicable to this Scheme.

#### V. OPERATION OF THE SCHEME

Upon the Scheme becoming effective, with effect from the Appointed Date but operative from the Effective Date, the following shall be deemed to have occurred and become effective and operative only in the order mentioned hereunder:

- a. Part II of the Scheme which provides for the Demerger of the Demerged Undertaking of the Demerged Company with the Resulting Company shall be effective and operative prior to coming effect of Part III of the Scheme; and
- b. Part III of the Scheme which provides for the Amalgamation of the Transferor Company with the Transferee Company shall take effect and be operative immediately after coming into effect of Part II of the Scheme.



## PART I

### DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

#### 1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings respectively assigned against them:

- (i) **“Act” or “the Act”** means the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force) and shall include any statutory modification, re-enactment thereof or amendments thereto for time to time and the Companies Act, 1956 (to the extent its provisions are in force) and shall include any statutory modification, re-enactment thereof or amendments thereto for time to time;
- (ii) **“Amalgamation”** means the amalgamation of the Transferor Company (as defined hereinafter) with the Transferee Company (as defined hereinafter) as per Part III of this Scheme;
- (iii) **“Amalgamation Equity Shares”** means the equity shares of the Transferee Company to be issued to the shareholders of the Transferor Company under Clause 26 of this Scheme;
- (iv) **“Amalgamation Share Entitlement Report”** means the valuer report on the share entitlement ratio dated May 5, 2021 issued by KPMG Valuation Services LLP, Registered Valuer (IBBI Registration No. IBBI/RV-E/06/2020/115);
- (v) **“Applicable Laws”** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, notifications, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force; and (b) administrative interpretation, writ, injunction, directions, directives, judgements, arbitral award, decree, orders or governmental approvals of, or agreements with, any Appropriate Authority;



- (vi) **“Appointed Date”** means the same date as the Effective Date or such other date as may be decided or approved by the Tribunal or such other Appropriate Authority;
- (vii) **“Appropriate Authority”** means and includes any applicable center/ state/ local Governmental, statutory, regulatory, departmental, or public body or authority or agency, including but not limited to the Central Government, the Tribunal, SEBI, RBI;
- (viii) **“Board of Directors”** or **“Board”** means Board of Directors of the Demerged Company/ Transferor Company, the Resulting Company or the Transferee Company or both as the context may require means the Board of Directors of such company and shall include a committee duly constituted and authorized thereby for matters pertaining to this Scheme and/ or any other consequential or incidental matter in relation thereto;
- (ix) **“Central Government”** means the Regional Director, Kolkata, Eastern Region, in the Ministry of Corporate Affairs, Government of India;
- (x) **“Corporate Action”** means sub-division, consolidation or re-organization or any other type of capital restructuring activities including but not limited to issue of any bonus/ right shares excluding grant of employee’s stock options and consequent allotment, by the Transferee Company until the effectiveness of the Scheme which would impact the shareholding interest of the Transferor Company in the Transferee Company in any way whatsoever;
- (xi) **“Demerged Company”** or **“Transferor Company”** means Ma Kalyaneshwari Holdings Private Limited as defined in Clause II (A) above;
- (xii) **“Demerged Undertaking”** or **“REAB”** means all the businesses, undertakings, activities, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated of the Demerged Company pertaining to the REAB undertaking as on the Appointed Date that would be demerged, transferred to and vested in the Resulting Company on a going concern basis and specifically including the following:
- i. All the assets and properties, whether movable or immovable, whether tangible or intangible, including all intellectual property, rights, title, interest, covenant, including continuing rights, title and interest in connection with the properties, whether corporeal or incorporeal, leasehold land, leasehold

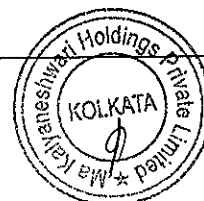


premises, freehold land, free hold premises, licenses relatable exclusively to the Real Estate and Ancillary Business of the Demerged Company;

- ii. All contracts, agreements, deeds including lease deeds, leases, memoranda of understanding, memoranda of agreements, undertakings, powers of attorney (if granted and applicable), arrangements, letters of intent, whether written or otherwise, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, in connection with or in relation to the Real Estate and Ancillary Business undertaking, or otherwise identified to be for the benefit of the same, approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension pertaining to or relatable to the Real Estate and Ancillary Business undertaking and the right to use assets and properties, whether movable or immovable, tangible or intangible, offices, current assets including loans and advances, furniture, fixtures, office equipment, appliances, accessories of the Real Estate and Ancillary Business undertaking of the Demerged Company;
- iii. All debts, borrowings, obligations, including deposits received from employee, taxes, duties and liabilities both present and future (including contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Real Estate and Ancillary Business undertaking of the Demerged Company;

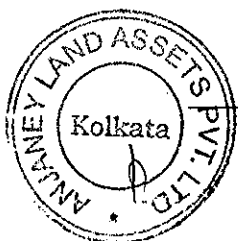
For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking means the liabilities determined and identified after due consideration of the application of the provisions of the Income Tax Act and includes without limitation:

- Liabilities in connection with or pertaining or relatable to the Demerged Undertaking of every kind, nature and description;
  - Specific loans and borrowings (if any) raised, incurred, and utilized solely for the activities or operations of the Demerged Undertaking;
- and





- Liabilities other than those referred to above, being the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred with the Demerged Undertaking bears to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.
- iv. All permits, quotas, no objection certificates, rights, entitlements and benefits including affiliation with different universities, institutes, boards, licenses, bids, tenders, letter of intent, expression of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposit privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, and all other interests in connection with or relating to the Real Estate and Ancillary Business undertaking of the Demerged Company;
- v. All brand names, trademarks, master files, service marks, trade names, labels, patents and domain names, designs, software and computer programs, databases, copyrights, trade secrets (if any) and other intellectual property (whether registered or unregistered) and all other interests exclusively relating to the goods or services being used by the Demerged Company in the business, activities and operations pertaining to its Real Estate and Ancillary Business undertaking;
- vi. All staff, workmen and employees engaged in the Real Estate and Ancillary Business undertaking of the Demerged Company, as identified by the Board of the Demerged Company, as on the Effective Date, including all their related benefits like gratuity, provident fund etc., and all liabilities relating to such employees from the Appointed Date;
- vii. All earnest monies and/ or security deposits in connection with or relating to the Real Estate and Ancillary Business undertaking of the Demerged Company;
- viii. All records, files, papers, information, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales advertising



materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form relating to the Real Estate and Ancillary Business undertaking of the Demerged Company;

- ix. All legal proceedings of whatsoever nature by or against the Demerged Company pending as on the Appointed Date and relating solely to the Real Estate and Ancillary Business undertaking of the Demerged Company;
- x. All tax credits including tax losses and unabsorbed depreciation, if any,, including cenvat credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, Value Added Tax (VAT), Goods and Service Tax (GST), sales tax or any other duty or tax or cess or imposts under any Central or State law including tax deducted at source, right to carry forward and set-off unabsorbed losses, and un-absorbed depreciation, minimum alternate tax credits, if any and exemptions, deductions, benefits and incentives under the Income Tax Act, in each case, belonging to, or forming part of, or relating, pertaining or attributable in any manner to the Real Estate and Ancillary Business undertaking of the Demerged Company.

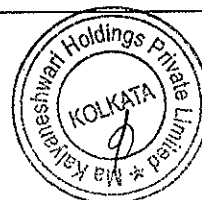
It is intended that the definition of the “Demerged Undertaking” or the “REAB” under this Clause would enable the transfer of all property, assets, rights, duties, employees and liabilities of Demerged Company pertaining exclusively to the REAB undertaking to Resulting Company pursuant to this Scheme.

In case of any question that may arise as to whether a specified asset, benefit or liability, contract or obligation pertains to or does not pertain to the REAB undertaking or whether it arises out of the activities or operations of the REAB undertaking shall be decided by the Board of Directors of the Demerged Company and the Resulting Company or any committee thereof by mutual agreement.

- (xiii) “Demerger” means the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company (as defined hereinafter) as per Part II of this Scheme;
- (xiv) “Demerger Equity Shares” means the equity shares of the Resulting Company to be issued to the shareholders of the Demerged Company under Clause 14 of this Scheme;



- (xv) **“Demerger Share Entitlement Report”** means the valuer report on the share entitlement ratio dated May 5, 2021 issued by Punam Singal, Registered Valuer (IBBI Registration No. IBBI/RV/11/2019/12585);
- (xvi) **“Effective Date”** means the date on which the Scheme shall become effective pursuant to Clause 33 of Part IV of this Scheme. Any references in this Scheme to the date of *“Scheme becoming effective”* or *“coming into effect of this Scheme”* or *“effectiveness of the Scheme”* or *“Scheme taking effect”* shall mean the Effective Date;
- (xvii) **“Encumbrance”** or **“Encumber”** means any mortgage charge, pledge, lien, as assignment, hypothecation, security interest, etc., the effect of which is the creation of security, or any other right to acquire or option, any right of first refusal or any right of pre-emption, or any agreement or arrangement to create any of the same;
- (xviii) **“Income Tax Act”** means the Income Tax Act, 1961 and shall include any statutory modification, re-enactment thereof or amendments thereto for time to time and the rules and regulations made thereunder;
- (xix) **“Indemnified Persons”** shall mean to include the Transferee Company, its directors, employees, officers, representatives or any other person authorized by the Transferee Company, however, excluding the Promoters;
- (xx) **“INR”** means Indian Rupees;
- (xxi) **“NCLT”** or **“Tribunal”** means the National Company Law Tribunal, Kolkata Bench at Kolkata having jurisdiction over the Demerged Company/ Transferor Company, the Resulting Company, and the Transferee Company;
- (xxii) **“Promoters”/ “Promoter Group”** means the promoters of the Transferor Company or the Transferee Company as the context may require and would mean such persons who are included in the category of promoter and promoter group as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 respectively;
- (xxiii) **“RBI”** means the Reserve Bank of India;
- (xxiv) **“Record Date(s)”** means the date(s) to be fixed by the Board of Directors of the Demerged Company/ Transferor Company, the Resulting Company and the Transferee



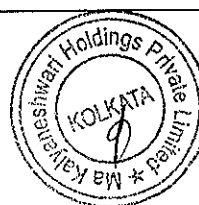
Company for the purpose of determining the shareholders of the Demerged Company/ Transferor Company, who shall be entitled to receive equity shares of the Resulting Company and Transferee Company;

(xxv) **“Registrar of Company” or “ROC”** means the Registrar of Companies, Kolkata;

(xxvi) **“Remaining Business Undertaking”** means all the undertakings, businesses, operations and activities, including all the assets and liabilities of the Transferor Company (specifically including 1,72,70,176 equity shares of face value INR 10 each constituting 59.32% stake held by the Transferor Company in the Transferee Company), excluding the Demerged Undertaking, retained by the Demerged Company, pursuant to this Scheme and shall include (without limitation the following)

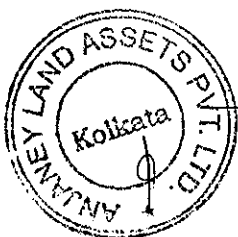
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- a. All assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Transferor Company, including the manufacturing facilities of the Transferor Company (if any) and the underlying movable and immovable properties pertaining to such facilities, and including investments of all kinds including but not limited to securities (marketable or not), securitized assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether lease hold or freehold (including offices, warehouses, sales and / or marketing offices, liaison offices, branches, factories), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;
- b. All permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, self-assessment Tax, other income Tax credits, withholding Tax credits, minimum alternate Tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under Tax laws, incentives (including incentives in



respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax refunds (including those pending with any Tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever; authorities, consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;

- c. All contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favor of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date;
- d. All intellectual property rights, if any, including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Transferor Company;
- e. All records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, Lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic form belonging to or held by the Transferor Company;



- f. All present, and contingent future liabilities of the Transferor Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form); and
- g. The employees, if any, of the Transferor Company and employee benefit funds of the Transferor Company.

(xxvii) **"Resulting Company"** means Anjaney Land Assets Private Limited as defined in Clause II (B) above;

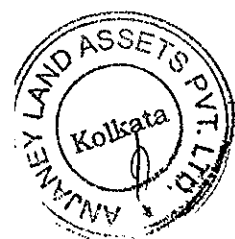
(xxviii) **"Scheme"** or **"this Scheme"** or **"the Scheme"** shall mean this Composite Scheme of Arrangement amongst the Demerged Company/ the Transferor Company, the Resulting Company and the Transferee Company and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Act in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the NCLT and other relevant regulatory/ statutory/ governmental authorities, as may be required under the Act, and/ or any other applicable laws;

(xxix) **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

(xxx) **"SEBI Circular"** means the Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 issued by SEBI;

(xxxi) **"Stock Exchanges"** means the National Stock Exchange of India Ltd., The Calcutta Stock Exchange Limited and the BSE Limited;

(xxxii) **"Tax"** or **"Taxes"** means any and all taxes (direct or indirect), surcharges, cess, duties, impositions imposed by any Governmental Entity, including without limitation taxes based upon or measured by gross receipts, income, profits, sales and value added services, Goods & Services Tax (GST), whether CGST, SGST, IGST, withholding taxes,



payroll, excise and property taxes, stamp duty, registration fees, together with all interest, penalties with respect to such amounts; and

(xxxiii) "Transferee Company" shall mean Maithan Alloys Limited as defined in Clause II (C) above.

## 2. INTERPRETATIONS

2.1. 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 and other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2.2. Reference to Clauses, recitals, and schedules, unless otherwise provided, are to Clauses, recitals and schedules of and to this Scheme. The singular shall include the plural and vice versa.

2.3. The headings and sub-headings are for information only and shall not affect the construction of this Scheme.

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

## 3. DATE OF COMING INTO EFFECT

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

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#### 4. SHARE CAPITAL

4.1. The share capital of MKH as on March 31, 2021 is as under:

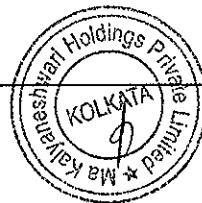
Share Capital	Amount (in INR)
<b>Authorized share capital</b>	
8,76,45,000 Equity Shares of INR 10 each	87,64,50,000
45,000 Redeemable Cumulative Preference Share of INR 10 each	4,50,000
<b>TOTAL</b>	<b>87,69,00,000</b>
<b>Issued, subscribed and paid up share capital</b>	
3,12,57,430 Equity Shares of INR 10 each	31,25,74,300
<b>TOTAL</b>	<b>31,25,74,300</b>

Subsequent to March 31, 2021 and as on May 5, 2021 i.e. the date of the Board meeting in which the Scheme is approved by the Board of MKH, there has been no change in the authorized, issued, subscribed and paid up equity share capital of MKH.

4.2. The share capital of ALAPL as on May 5, 2021 is as under:

Share Capital	Amount (in INR)
<b>Authorized share capital</b>	
1,50,000 Equity Shares of INR 10 each	15,00,000
<b>TOTAL</b>	<b>15,00,000</b>
<b>Issued, subscribed and paid up share capital</b>	
1,50,000 Equity Shares of INR 10 each	15,00,000
<b>TOTAL</b>	<b>15,00,000</b>

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4.3. The share capital of MAL as on March 31, 2021 is as under:

Share Capital	Amount (in INR)
<b>Authorized share capital</b>	
8,00,00,000 Equity Shares of INR 10 each	80,00,00,000
<b>TOTAL</b>	<b>80,00,00,000</b>
<b>Issued, subscribed and paid up share capital</b>	
2,91,11,550 Equity Shares of INR 10 each	29,11,15,500
<b>TOTAL</b>	<b>29,11,15,500</b>

MKH is the holding company of MAL and holds equity shares constituting 59.32% stake in MAL. The equity shares of the Transferee Company are listed on the Stock Exchanges.

Subsequent to March 31, 2021 and as on May 5, 2021 i.e. the date of the Board meeting in which the Scheme is approved by the Board of MAL, there has been no change in the authorized, issued, subscribed and paid up equity share capital of MAL.

## 5. COMPLIANCE WITH TAX LAWS

5.1. The Demerger of 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 such that:

- all the assets and 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 the Demerger;
- all the liabilities (including general or multi-purpose borrowings allocable as per methodology prescribed under Section 2(19AA) of the Income Tax Act) 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 the Demerger;
- the properties and liabilities relating to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting



Company at the values appearing in the books of accounts of the Demerged Company immediately before the Demerger;

- d) Resulting Company shall issue, in consideration of the Demerger, shares to the shareholders of the Demerged Company on a proportionate basis;
- e) 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
- f) The transfer of the Demerged Undertaking will be on a going concern basis.

Further, this Scheme complies with the conditions relating to "Demerger" as specified under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions of the Income Tax Act and is intended to apply accordingly. If any terms or clauses or provisions of the Scheme is/ are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other law or any judicial or executive interpretation or for any other reasons whatsoever, the provisions of the said sections of the Income Tax Act shall prevail and the Scheme to stand modified to the extent necessary to comply with said sections of the Income Tax Act. Such modification will however not affect other parts of the Scheme

5.2. The Amalgamation of the Transferor Company into the Transferee Company shall be in full compliance with the conditions relating to "Amalgamation" as provided under Section 2(1B) and other related provisions of the Income Tax Act such that, *inter alia*:

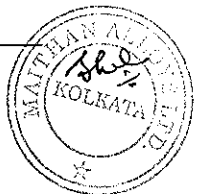
- a) all the properties of the Transferor Company, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation;
- b) all the liabilities of the Transferor Company, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation; and



- c) shareholders holding at least three fourths in value of the shares in each of the Transferor Company, will become shareholders of the Transferee Company by virtue of the Amalgamation.

Further, this Scheme complies with the conditions relating to "Amalgamation" as specified under Section 2(1B), Section 47 and other relevant sections and provisions of the Income Tax Act and is intended to apply accordingly. If any terms or clauses or provisions of the Scheme is/ are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other law or any judicial or executive interpretation or for any other reasons whatsoever, the provisions of the said Sections of the Income Tax Act shall prevail and the Scheme to stand modified to the extent necessary to comply with said Sections of the Income Tax Act. Such modification will however not affect other parts of the Scheme.

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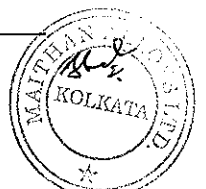


PART II

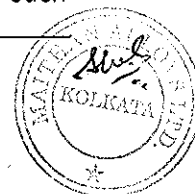
DEMERGER OF THE DEMERGED UNDERTAKING INTO THE RESULTING COMPANY

6. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

- 6.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act and Section 2(19AA) of the Income Tax Act, without any further act, instrument or deed, be transferred to and stand vested in, and/ or be deemed to be transferred to and vested in, the Resulting Company as a going concern so as to become, as and from the Appointed Date, the undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme.
- 6.2. Any and all assets relating to the Demerged Undertaking, as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by the Demerged Company, upon the coming into effect of the Scheme, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date, without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to encumbrances in favor of banks and/ or financial institutions.
- 6.3. Any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in Clause 6.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company).



- 6.4. Without prejudice to the generality of the foregoing, all assets, estate, rights, title, interest investments and authorities held by the Demerged Company as on the Appointed Date as regards the Demerged Undertaking, not otherwise specified in Clause 6.2 and Clause 6.3 above, shall also, without any further act, instrument or deed stand transferred to and vest in the Resulting Company upon the coming into effect of this Scheme.
- 6.5. The immovable properties pertaining to Demerged Undertaking shall stand transferred to the Resulting Company automatically without requirement of execution of any further documents for registering the name of the Resulting Company as owner thereof and the regulatory authorities may rely on the Scheme along with the copy of the order passed by the NCLT, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Resulting Company as owner of the immovable properties. For the purpose of vesting of immovable properties to the Resulting Company, the Demerged Company is hereby empowered/ authorized to execute any documents/ enter into any arrangements for and on behalf of the Resulting Company.
- 6.6. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, registrations or approvals or consents held by the Demerged Company required to carry on operations in the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Resulting Company. The benefit of all statutory and regulatory permissions and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions.
- 6.7. All the brands, trademarks of the Demerged Undertaking including registered and unregistered trademarks along with all the rights of commercial nature including attached title, goodwill, interest, labels and brand registrations, copyrights, and all other intellectual property rights of whatsoever nature shall stand transferred to the Resulting Company by operation of law. The Resulting Company shall take such

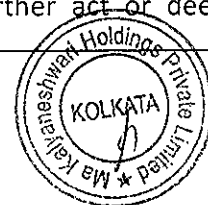


actions as may be necessary and permissible to get the same transferred and/ or registered in the name of Resulting Company.

- 6.8. Without prejudice to Clauses 6.6 and 6.7 of this Scheme, with effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Demerged Undertaking. For this purpose, the Resulting Company and/ or the Demerged Company shall apply for transition of all licenses, registrations, approvals, consents, permits, and quotas of or relating to the Demerged Undertaking, including but not limited to registrations, licenses, etc., required for the business. The period between the Effective Date and the last date on which transfer of all such aforementioned registrations, licenses, etc. have occurred is hereinafter referred to as the "**Transition Period**". With a view to avoiding any disruption to the business and to ensure continuity of operations, the Resulting Company may, during the Transition Period, continue to provide or use such services and generally carry on the business of Demerged Undertaking in the same name and form /format.
- 6.9. The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.
- 6.10. In relation to other assets belonging to the Demerged Undertaking, which require separate documents for vesting in the Resulting Company, or which the Demerged Company and/ or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.

## 7. TRANSFER OF DEBTS AND LIABILITIES

- 7.1. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description, if any, attributable to the Demerged Undertaking ("**Demerged Undertaking Liabilities**") shall, without any further act or deed, be



transferred to, or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations, if any, of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause (although the Resulting Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company).

- 7.2. In so far as the existing encumbrances, if any, in respect of the Demerged Undertaking Liabilities are concerned, such encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which has been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been encumbered in respect of the Demerged Undertaking Liabilities, such assets shall remain unencumbered and the existing encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 7.3. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business Undertaking are concerned, subject to Clause 7.2, the encumbrances, if any, over such assets relating to the Demerged Undertaking Liabilities shall, as and from the Appointed Date without any further act, instrument or deed be released and discharged from the obligations and encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking is concerned, the encumbrances over such assets relating to any loans, borrowings or other debts or debt securities which are not transferred pursuant to this Scheme

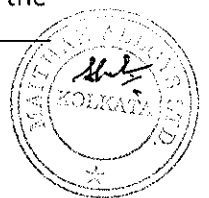
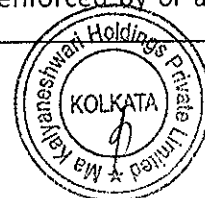


(and which shall continue with the Demerged Company), shall without any further act or deed be released from such encumbrances and shall no longer be available as security in relation to such liabilities.

- 7.4. Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instrument(s) and/ or document(s) and/ or do all the acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the ROC to give formal effect to the above provisions, if required.
- 7.5. The provisions of this Clause 7 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/ or superseded by the foregoing provisions.
- 7.6. On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company pertaining to the Demerged Undertaking, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation or in connection with the Demerged 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.

## 8. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 8.1. Upon the Scheme becoming effective, all legal or other proceedings by or against by or against the Demerged Company in relation to the Demerged Undertaking, under any statute, pending as on the Appointed Date, shall be continued and enforced by or against the Resulting Company after the Effective Date.
- 8.2. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 8.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the





Resulting Company to the exclusion of the Demerged Company to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by the Resulting Company, the proceedings shall be pursued by the Demerged Company for and on behalf of the Resulting Company as per the instructions of and entirely at the cost and expenses of the Resulting Company.

## 9. EMPLOYEES

- 9.1. On the Scheme becoming operative, all staff and employees of the Demerged Company pertaining to the Demerged Undertaking in service as on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to their employment in the Demerged Company.
- 9.2. Resulting Company further agrees that for the purpose of provident fund or superannuation or payment of any other retirement or termination benefit/ compensation, if any, or other statutory purposes, the services of such employees will be reckoned from the date of their respective appointments with the Demerged Company. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided jointly by the Board of Directors of the Demerged Company and the Resulting Company.
- 9.3. The accumulated funds, if any, standing to the credit of the employees whose services are transferred under Clause 9.1 above, relating to superannuation, provident fund and gratuity fund or any other statutory or special fund or trusts created or existing for the benefit of the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking shall be identified, determined and transferred to such provident fund, superannuation fund and other funds nominated by the trusts / funds of the Resulting Company or other funds to be established and caused to be recognized by the concerned authorities by the Resulting Company, and such employees shall be deemed to have become members of such trusts/ funds of Resulting Company on the same terms and conditions as applicable to the funds of the Demerged Company in relation to the said employees. On and from the Effective Date, with effect from the Appointed Date, and subject to getting the Scheme



approved by the relevant authorities, Resulting Company shall make the necessary contributions for such employees in relation to the funds.

9.4. It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking in relation to such funds shall become those of the Resulting Company.

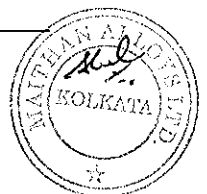
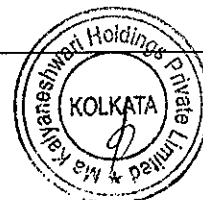
9.5. Notwithstanding anything contained in this Clause, the Board of Directors of the Resulting Company in consultation with the Board of Directors of the Demerged Company, may devise and finalize suitable alternate mechanics for effecting transfer of employees and employee related benefits to the Resulting Company, with an overarching principle that the interests of the employees in terms of continuity (as envisaged under Clause 9.1) are protected.

#### 10. CONTRACTS, DEEDS, ETC.

10.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to Demerged Undertaking to which the Demerged Company is a party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

10.2. The Resulting Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company for the Demerged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

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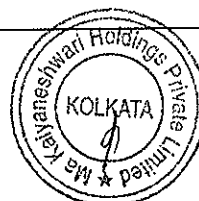
## 11. TREATMENT OF TAXES AND CONSEQUENTIAL MATTERS RELATING TO TAX

This Scheme complies with the conditions relating to "Demerger" as specified under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions of the Income Tax Act and is intended to apply accordingly. If any terms or clauses or provisions of the Scheme is / are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other law or any judicial or executive interpretation or for any other reasons whatsoever, the provisions of the said sections of the Income Tax Act shall prevail and the Scheme to stand modified to the extent necessary to comply with said sections of the Income Tax Act. Such modification will however not affect other parts of the Scheme.

### 11.1. Upon this Scheme becoming effective :

- a) To the extent required, the Demerged Company and the Resulting Company shall be permitted to revise and file their respective income tax returns along with the prescribed forms, filings and annexures under the Income Tax Act, withholding tax returns, sales tax, value added tax, service tax, central sale tax, entry tax, goods and services tax returns and any other tax returns: Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired; and
- b) The Resulting Company shall be entitled to: (a) claim deduction with respect to items such as provisions expenses etc. disallowed in earlier years and pertaining to the Demerged Undertaking, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Appointed Date and (b) exclude items such as provisions reversals, etc. pertaining to the Demerged Undertaking for which no deduction or Tax benefit has been claimed by the Demerged Company prior to the Appointed Date.

11.2. With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable by the Demerged Company relating to the Demerged Undertaking including all advance tax payments, tax deducted at source or any refunds/ credit/ claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds/ credit/ claims, as the case



may be, of the Resulting Company, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds/ credit/ claims relating to the Demerged Undertaking shall continue to be borne by the Demerged Company. It is specifically provided that if the Demerged Company or their successor(s) receives any refunds/ credit/ claims or incurs any liability in respect of the Demerged Undertaking, the same shall be on behalf of and as a trustee of the Resulting Company and the same shall be refunded to/paid by the Resulting Company.

- 11.3. With effect from the Appointed Date and upon the Scheme becoming effective, all unavailed credits and exemptions, margin money, retention money, deposit with statutory authorities, other deposits and benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit remaining after utilization of the same by the Demerged Company), cenvat, customs, VAT, sales tax, service tax, GST etc. relating to the Demerged Undertaking to which the Demerged Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 11.4. Upon this Scheme becoming effective, any tax deducted at source (TDS) deposited, TDS certificates issued or TDS returns filed by the Demerged Company pertaining to the Demerged Undertaking shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resulting Company and all deductions otherwise admissible to the Demerged Company pertaining to the Demerged Undertaking including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as Section 43B, Section 40, Section 40A etc. of the Income Tax Act) shall be eligible for deduction to the Resulting Company.
- 11.5. If the Demerged Company is entitled to any benefits under the incentive schemes and policies of the Income Tax Act or concessions relating to the Demerged Undertaking under any tax laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or deductions as the case may be without any specific approval or permission.
- 11.6. The Board of Directors of the Demerged Company and Resulting Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to the Resulting Company.



**12. CONDUCT OF DEMERGED UNDERTAKING OF THE DEMERGED COMPANY TILL EFFECTIVE DATE**

During the period between the approval of the Scheme by the Board of the Demerged and Resulting Company and the Effective Date, the business of the Demerged Undertaking of the Demerged Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

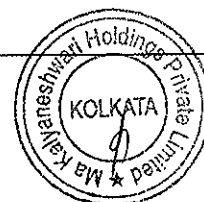
**13. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of assets and liabilities of the Demerged Undertaking of the Demerged Company under Clause 6 above, the continuance of proceedings under Clause 8 above and the effectiveness of contracts, deeds, bonds, approvals and other instruments under Clause 10 above, shall not affect any transaction or proceedings already concluded by the Demerged Company in relation to the Demerged Undertaking on or before the Appointed Date to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Demerged Undertaking in respect thereto, as if done and executed on its behalf.

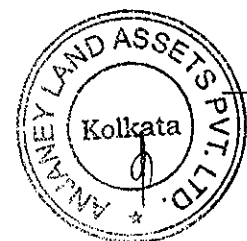
**14. CONSIDERATION**

- 14.1. Upon the Scheme becoming effective and in consideration of the Demerger including the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further act, or deed and without any further payment, basis the Demerger Share Entitlement Report, issue and allot 10,00,000 (Ten Lakh) equity shares of INR.10/- (Rupees Ten only) each ("**Demerger Equity Shares**") fully paid up on a proportionate basis to each shareholder of the Demerged Company (whose name appears in the register of members of the Demerged Company as on the Record Date or to the heirs, executors, administrators or the successors-in-title of such shareholders) in the following manner :

*10,00,000 (Ten Lakh) fully paid up equity share of INR 10/- (Rupees Ten only) each of the Resulting Company shall be issued and allotted to the equity shareholders of the Demerged Company in proportion of their holdings in the Demerged Company*



- 14.2. In case any members' shareholding in the Demerged Company is such that the member becomes entitled to a fraction of the Demerger Equity Shares of the Resulting Company, the Board of the Resulting Company shall be empowered to consolidate and/or round off such fractional entitlements into whole number of equity shares to an integer in a manner to ensure that only 10,00,000 (Ten Lakh) number of fully paid equity shares of INR 10/- each are issued to the shareholders of the Demerged Company. Notwithstanding, anything contained in this Clause, the Board of the Resulting Company at its absolute discretion may decide to deal with such fractional entitlements of the shareholder(s) of the Demerged Company in any other manner as it may deem to be in the best interest of the shareholder(s) of the Demerged Company.
- 14.3. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.
- 14.4. The Demerger Equity Shares of the Resulting Company shall be issued to the shareholders of the Demerged Company in physical form unless the Resulting Company has dematerialized its shares prior to the Record Date and the shareholders of the Demerged Company have notified the Resulting Company in writing of their intention to receive the shares in the dematerialized form and provided necessary details in terms of account with the depository participant etc.
- 14.5. The Board of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government/ Regulatory authorities and undertake necessary compliance for the issue and allotment of Demerger Equity Shares to the shareholders of the Demerged Company pursuant to Clause 14.1 of the Scheme.
- 14.6. The Demerger Equity Shares to be issued and allotted by the Resulting Company to the equity shareholders of the Demerged Company shall be subject to the Scheme and the Memorandum and Articles of Association of the Resulting Company.



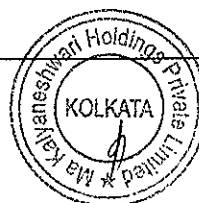
14.7. For the purpose of issue of Demerger Equity Shares to the shareholders of the Demerged Company, the Resulting Company shall be deemed to be in compliance with necessary compliances under the provisions of the Act including the provisions and procedure laid down under Section 42 and 62 of the Act, for the issue and allotment by the Resulting Company of New Demerger Equity Shares to the shareholders of the Demerged Company.

14.8. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the implementation of the Scheme and registration of the new shareholders in the Resulting Company.

**15. CANCELLATION OF EQUITY SHARES OF THE RESULTING COMPANY HELD BY THE DEMERGED COMPANY**

15.1. Simultaneously, with the issue and allotment of the Demerger Equity Shares by the Resulting Company to the equity shareholders of the Demerged Company in accordance with Clause 14 above, the entire pre-demerger issued, subscribed and paid up share capital of the Resulting Company, comprising of 1,50,000 equity shares of INR 10 each, aggregating to INR 15,00,000/- as held by the Demerged Company and its nominees, shall, without any further application, act, instrument or deed, be automatically stand cancelled, extinguished and annulled on and from the Effective Date and the issued, subscribed and paid up equity capital of the Resulting Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Resulting Company pursuant to the provisions of Section 66 of the Act.

15.2. The reduction in the share capital of the Resulting Company as contemplated in Clause 15.1 above shall be effected as an integral part of this Scheme in accordance with the provisions of Section 230- 232 of the Act, and any other applicable provisions of the Act. The order of the NCLT sanctioning this Scheme shall also include approval and confirmation of the reduction of share capital of the Resulting Company which shall be deemed to be an order under Section 66 of the Act confirming the reduction and pursuant to the provisions under Explanation to Section 230, no separate sanction shall be necessary. The consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.



15.3. The reduction as contemplated above would not involve any diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

15.4. Notwithstanding the reduction of share capital, the Resulting Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon reduction.

## 16. ACCOUNTING TREATMENT ON DEMERGER

### In the books of the Demerged Company

Upon the Scheme becoming effective:

16.1. The Demerged Company shall give effect to the accounting treatment in its books of account in accordance with the relevant Indian Accounting Standard prescribed under Section 133 of the Act.

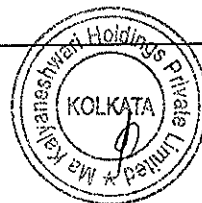
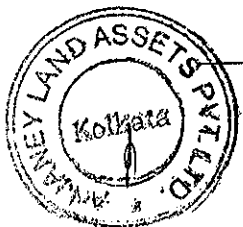
16.2. The assets and liabilities pertaining to the Demerged Undertaking shall be transferred to the Resulting Company at their carrying values appearing in the books of accounts of the Demerged Company as on the Appointed Date.

16.3. The investments in the equity share capital of the Resulting Company as appearing in the books of the Demerged Company shall stand cancelled.

16.4. The aggregate of excess assets over the liabilities of the Demerged Undertaking transferred to the Resulting Company and the cancellation of the equity shares held by the Demerged Company in the paid up capital of the Resulting Company as per Clause 15 above shall be debited to 'Capital Reserves'.

### In the books of the Resulting Company

Upon the Scheme becoming effective and with effect from Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the transaction the Resulting Company shall account for the Demerged Undertaking in its books of account as per 'Pooling of Interest Method' as described in Appendix C of Indian

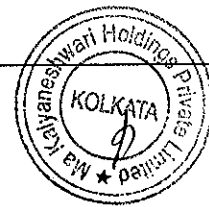




Accounting Standard (Ind AS) 103 – ‘Business Combinations’ prescribed under Section 133 of the Act read with relevant rules issued thereunder, such that:

- 16.5. The Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking of the Demerged Company at their respective carrying values at the close of business of the day immediately preceding the Appointed Date.
- 16.6. The investments in the equity share capital of the Resulting Company as appearing in the books of the Demerged Company shall stand cancelled and accordingly the issued and paid up equity share capital of the Resulting Company shall stand reduced to the extent of face value of equity shares held by the Demerged Company in the Resulting Company.
- 16.7. The Resulting Company shall credit the aggregate face value of the Demerger Equity Shares issued by it to the shareholders of the Demerged Company pursuant to Clause 14.1 of this Scheme to the Share Capital Account in its books of accounts.
- 16.8. The difference being the excess or shortfall if any, of book value of the assets over the liabilities pertaining to the Demerged Undertaking of the Demerged Company recorded by the Resulting Company in accordance with Clause 16.5 above, after adjusting for cancellation of the investments in the equity share capital of the Resulting Company and face value of Demerger Equity Shares issued by the Resulting Company, shall be adjusted in ‘Capital Reserves’ in the books of the Resulting Company.
- 16.9. In case of any difference in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference will be quantified and adjusted as per guidance provided under Ind AS 103 ‘Business Combinations’, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.

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**PART III**  
**AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEEE**  
**COMPANY (UPON PART II BECOMING EFFECTIVE)**

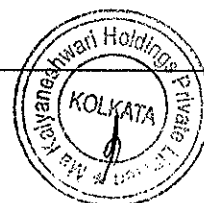
17. With effect from the Appointed Date and upon Part II of the Scheme coming into effect, the Transferor Company shall stand amalgamated into the Transferee Company and its Remaining Business Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act without any further act, instrument, deed, matter or thing become the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.

**18. TRANSFER OF ASSETS**

18.1. Without prejudice to the generality of Clause 17 above, with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferor Company, of whatsoever nature and wherever situated, whether or not included in the books of the Transferor Company shall, subject to the provisions of this Clause 18 in relation to the mode of vesting and without any further act, deed matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest authorities of the Transferee Company.

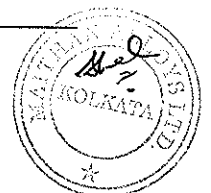
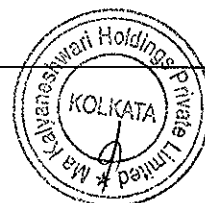
18.2. In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same may be so transferred by the Transferor Company and shall become the property of the Transferee Company with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same.

18.3. In respect of such of the assets belonging to the Transferor Company other than those referred to in Clause 18.2 above, the same shall, as more particularly provided in Clause 18.1 above, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company with effect from the Appointed.



**19. CONTRACTS, DEEDS, LICENCES etc.**

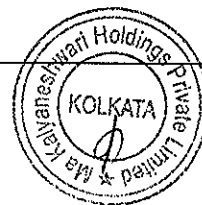
- 19.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds agreements, schemes, arrangements and other instruments of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible or for the obligations of which the Transferor Company may be liable, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor, as the case may be, of the Transferee Company and may be enforced a fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 19.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Remaining Business Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so require under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of Part III of this Scheme, be deemed to be authorized to execute any such writings as a successor of the Transferor Company and to carry out perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 19.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and subject to Applicable Laws, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favor of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issue to or executed in favor of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any Appropriate Authority as may be necessary in this behalf.



19.4. Without prejudice to the provisions of Clause 20 to 25, with effect from the Appointed Date, all transactions between the Transferor Company and the Transferee Company, if any, that have not been completed, shall stand cancelled.

## 20. TRANSFER OF DEBTS AND LIABILITIES

- 20.1. With effect from the Appointed Date, all debts, liabilities, loans raised and used, duties and obligations of the Transferor Company, whether or not recorded in its books and records shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company to the extent that they are outstanding on the Appointed Date so as to become as and from the Appointed Date the debts, liabilities, loans, obligations and duties of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts or liabilities have arisen in order to give effect to the provisions of this Clause 20.
- 20.2. All Encumbrances, if any, existing prior to the Appointed Date over the assets of the Transferor Company shall, after the Appointed Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Appointed Date.
- 20.3. Without prejudice to the provisions of the foregoing Clauses, the Transferee Company shall execute any instrument(s) and/ or document(s) and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the jurisdictional ROC to give formal effect to the above provisions, if required.
- 20.4. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 20 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/ or superseded by the forgoing provisions.



## 21. LEGAL, TAXATION AND OTHER PROCEEDINGS

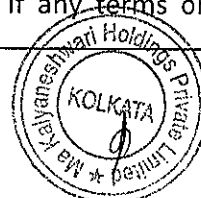
- 21.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or courts), by or against the Transferor Company, under any statute, pending on the Appointed Date, shall be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against as the case may be on the Transferee Company.
- 21.2. The Transferee Company shall have all legal, taxation or other proceedings initiated by or against the Transferor Company referred to in Clause 21.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company, as a successor of the Transferor Company.

## 22. EMPLOYEES

- 22.1. On the Scheme becoming effective all employees, if any, of the Transferor Company as on the Effective Date shall become the employees of the Transferee Company, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/ compensation, other terminal benefits, such immediate uninterrupted past services with the Transferor Company shall also be taken into account.
- 22.2. In relation to those employees of the Transferor Company for whom the Transferor Company are making contributions to the governmental employee benefit funds, the Transferee Company shall stand substituted for such Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such funds in respect of such employees of the Transferor Company.

## 23. TREATMENT OF TAXES AND CONSEQUENTIAL MATTERS RELATING TO TAX

This Scheme complies with the conditions relating to "Amalgamation" as specified under Section 2(1B), Section 47 and other relevant sections and provisions of the Income Tax Act and is intended to apply accordingly. If any terms or clauses or



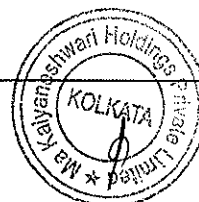
provisions of the Scheme is/ are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other law or any judicial or executive interpretation or for any other reasons whatsoever, the provisions of the said sections of the Income Tax Act shall prevail and the Scheme to stand modified to the extent necessary to comply with said sections of the Income Tax Act. Such modification will however not affect other parts of the Scheme.

23.1. Upon this Scheme becoming effective :

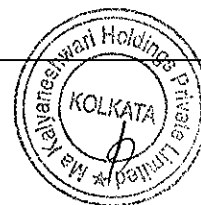
- a) To the extent required, the Transferor Company and the Transferee Company shall be permitted to revise and file their respective income tax returns along with the prescribed forms, filings and annexures under the Income Tax Act, withholding tax returns, sales tax, value added tax, service tax, central sale tax, entry tax, goods and services tax returns and any other tax returns: Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired; and
- b) The Transferee Company shall be entitled to: (a) claim deduction with respect to items such as provisions expenses etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Appointed Date and (b) exclude items such as provisions reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Company prior to the Appointed Date.

23.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, minimum alternate Tax credit, if any of the Transferor Company as on the Appointed Date, shall, for all purposes, be treated as Minimum Alternate Tax credit of the Transferee Company.

23.3. Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under Applicable Law (including Tax laws).



- 23.4. Upon the Scheme becoming effective, all Taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of the Transferor Company, shall, for all purposes, be treated as Taxes, cess, duties and liabilities, as the case may be, payable by the Transferee Company.
- 23.5. Upon the Scheme becoming effective, all unavailed credits and exemptions and other statutory benefits, including in respect of income tax, CENVAT customs, value added tax, sales tax, service tax, entry tax and good and service tax to which the Transferor Company are entitled shall be available to and vest in the Transferee Company without any further act or deed.
- 23.6. Any Tax liability under the Income Tax Act, or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any tax provisions in the accounts of the Transferor Company made as on the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for Taxation or duties or levies in the accounts of the Transferor Company including advance Tax and Tax deducted at source as on the Appointed Date will also be transferred to the account of the Transferee Company.
- 23.7. All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as at the Appointed Date, shall be continued and/ or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the Amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme.
- 23.8. Any refund under the Income Tax Act or any other tax laws related to or due to the Transferor Company including those for which no credit is taken as on the Appointed Date, shall also belong to and be received by the Transferee Company.
- 23.9. Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value added Tax) to which the Transferor Company are entitled to in terms of applicable Tax laws shall be available to and vest in the Transferee Company from the Appointed Date.



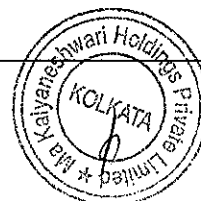
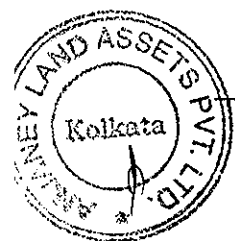
## 24. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 24.1. During the period between the approval of the Scheme by the Board of the Transferor and Transferee Company and the Effective Date, the business of the Transferor Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.
- 24.2. For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferor Company and credited to the account of Transferee Company, if presented by the Transferee Company. Similarly, till the time any regulatory registrations of the Transferor Company are closed/ suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to company with relevant regulations.

## 25. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets and liabilities of the Transferor Company under Clause 18 above, the continuance of proceedings under Clause 21 above and the effectiveness of contracts, deeds, bonds, approvals and other instruments under Clause 19 above, shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

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## 26. CONSIDERATION

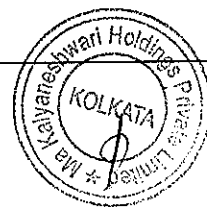
26.1. Upon the coming into effect of the Scheme, and in consideration of the Amalgamation of the Transferor Company pursuant to this Part III of the Scheme, the Transferee Company shall, without any further act or deed and without any further payment, basis the Amalgamation Share Entitlement Report, issue and allot to the shareholders of the Transferor Company (whose name is recorded in the register of members of the Transferor Company as on the Record Date) 1,72,70,176 (One Crore Seventy Two Lakh Seventy Thousand One Hundred Seventy Six ) equity shares of the face value of INR 10/- (Rupees Ten) each ("**Amalgamation Equity Shares**"), being equal to the number of equity shares as held by the Transferor Company in the Transferee Company in the following manner:

*1,72,70,176 (One Crore Seventy Two Lakh Seventy Thousand One Hundred Seventy Six ) fully paid up equity shares of the face value of INR 10/- (Rupees Ten) each credited as fully paid up in the share capital of the Transferee Company in the proportion of the number of equity shares held by the shareholders in the Transferor Company.*

26.2. In the event that the Amalgamation Equity Shares entitled to be issued results in fractional entitlements, the Board of the Transferee Company shall be empowered to consolidate and/ or round off such fractional entitlements into whole number of equity shares to an integer in a manner to ensure that only 1,72,70,176 (One Crore Seventy Two Lakh Seventy Thousand One Hundred Seventy Six ) number of fully paid equity shares of INR 10/- each to be issued to the shareholders of the Transferor Company. Notwithstanding, anything contained in this Clause, the Board of the Transferee Company at its absolute discretion may decide to deal with such fractional entitlements of the shareholder(s) of the Transferor Company in any other manner as it may deem to be in the best interest of the shareholder(s) of the Transferor Company.

26.3. Pursuant to issuance of Amalgamation Equity Shares as aforesaid to the shareholders of the Transferor Company, the shareholders of the Transferor Company shall become the shareholders of the Transferee Company.

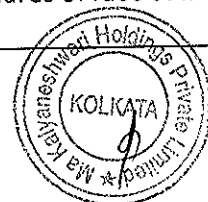
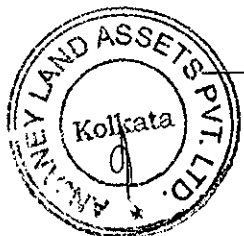
26.4. Since the equity shares of the Transferee Company are dematerialized, the shareholders of the Transferor Company shall be issued the Amalgamation Equity Shares in dematerialized form.



- 26.5. The Amalgamation Equity Shares of the Transferee Company issued in terms of Clause 26.1 of this Scheme will be listed and/ or admitted to trading on the Stock Exchanges where the shares of the Transferee Company are listed and/ or admitted to trading subject to necessary approvals under SEBI regulations and from the Stock Exchanges and all necessary applications and compliances being made in this respect by the Transferee Company.
- 26.6. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on Record Date, in order to remove any difficulties, after the effectiveness of this Scheme.
- 26.7. The Amalgamation Equity Shares to be issued to the members of Transferor Company under Clause 26.1 above shall be subject to the Memorandum and Articles of Association of Transferee Company and shall rank pari passu with the existing equity shares of Transferee Company in all respects for the financial year starting from the Appointed Date in terms of the Scheme with the existing equity shares of Transferee Company.
- 26.8. In the event that the Transferee Company change their capital structure by way of any Corporate Action, the share exchange ratio mentioned in Clause 26.1 shall further be suitably modified/ adjusted to give effect to such Corporate Actions.
- 26.9. For the purpose of issue of Amalgamation Equity Shares to the shareholders of the Transferor Company, the Transferee Company shall be deemed to be in compliance with necessary compliances under relevant provisions of the Act including the provisions and procedure laid down under Section 42 and 62 of the Act for the issue and allotment by the Transferee Company of Amalgamation Equity Shares to the members of the Transferor Company under the Scheme.

## 27. CANCELLATION OF EXISTING SHARES OF TRANSFEE COMPANY

- 27.1. Simultaneously, with the issue and allotment of the Amalgamation Equity Shares by the Transferee Company to the equity shareholders of the Transferor Company in accordance with Clause 26 above, the 1,72,70,176 equity shares of face of INR 10 each



equity shares held by the Transferor Company and its nominees, if any, in the share capital of the Transferee Company as on the Appointed Date, shall, without any further application, act, instrument or deed, be automatically cancelled, extinguished and annulled on and from the Effective Date and the paid up equity capital of the Transferee Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Transferee Company pursuant to the provisions of Section 66 of the Act.

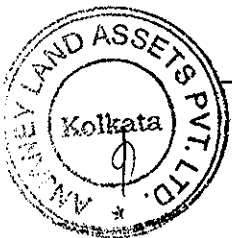
27.2. The reduction in the share capital of the Transferee Company as contemplated in Clause 27.1 above shall be effected as an integral part of this Scheme in accordance with the provisions of Section 230- 232 of the Act, and any other applicable provisions of the Act. The order of the NCLT sanctioning this Scheme shall also include approval and confirmation of the reduction of share capital of the Transferee Company which shall be deemed to be an order under Section 66 of the Act confirming the reduction and pursuant to the provisions under Explanation to Section 230, no separate sanction shall be necessary. The consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.

27.3. The reduction as contemplated above would not involve any diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

27.4. Notwithstanding the aforesaid reduction, the Transferee Company shall not be required to add the words "*and reduced*" as a suffix to its name consequent upon reduction.

## 28. CHANGE IN AUTHORISED SHARE CAPITAL

28.1. Upon this Scheme becoming effective, the authorized share capital of the Transferor Company as set out in this Scheme but prior to the issuance of and allotment of the Amalgamation Equity Shares under Clause 26 above, the authorized share capital of the Transferor Company, shall be deemed to be added to and combined with the authorized share capital of the Transferee Company, such that upon the effectiveness of the Scheme, the authorized share capital of the Transferee Company shall be as follows :



INR 167,69,00,000 (Rupees One Hundred Sixty Seven Crore Sixty Nine Lakh only) comprising of 16,76,45,000 equity shares of INR 10 (Rupees One Ten) each and 45,000 redeemable cumulative preference shares of INR 10 (Rupees One Ten) each.

- 28.2. Pursuant to the combination of authorized capital pursuant to Clause 28.1 above, the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any requirement of a further act, deed, be and stand altered, modified and amended, such that Clause V of the memorandum of association of the Transferee Company shall be replaced by the following :

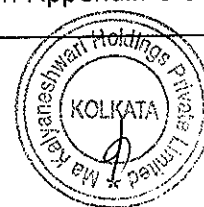
*"The Authorized Share Capital of the Company is INR 167,69,00,000 (Rupees One Hundred Sixty Seven Crore Sixty Nine Lakh only) divided into 16,76,45,000 equity shares of INR 10 (Rupees One Ten) each and 45,000 redeemable cumulative preference shares of INR 10 (Rupees One Ten) each."*

- 28.3. It is clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendments and increase of authorized share capital of the Transferee Company pursuant to Clause 28.1 and no further resolution(s) under Section 4, 13, 14 and 61 and all other applicable provisions of the Act, if any, would be required to be passed separately.

- 28.4. In accordance with Section 232(3)(i) of the Act and the Applicable Law, the stamp duties and/ fees (including registration fees) paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company pursuant to Clause 28.1 above and no stamp duties and/ fees would be payable for increase in the authorized share capital of the Transferee Company to the extent of fees already paid in relation to the authorized share capital of the Transferor Company.

## 29. ACCOUNTING TREATMENT ON AMALGAMATION

With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts as a 'Pooling of Interest Method', as described in Appendix C of Indian



Accounting Standard (Ind AS) - 103 'Business Combinations' notified under Section 133 of the Act read with relevant rules issued thereunder, such that:

- 29.1. The investments in the equity share capital of the Transferee Company as appearing in the books of accounts of the Transferor Company shall stand cancelled and accordingly the issued and paid up equity share capital of the Transferee Company shall stand reduced to the extent of face value of equity shares held by the Transferor Company in the Transferee Company.
- 29.2. The Transferee Company shall record all the assets and liabilities of the Transferor Company including amalgamation adjustment account, vested in the Transferee Company pursuant to this Scheme, at their carrying values at the close of business of the day immediately preceding the Appointed Date.
- 29.3. The balance of the retained earnings as appearing in the books of the Transferor Company will be aggregated with the corresponding balance appearing in the books of the Transferee Company.
- 29.4. The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the books of the Transferee Company in the same form and manner in which they appear in the books of the Transferor Company.
- 29.5. The Transferee Company shall credit the aggregate face value of the Amalgamation Equity Shares issued by it to the shareholders of the Transferor Company pursuant to Clause 26.1 of this Scheme to the Share Capital Account in its books of accounts.
- 29.6. The difference between the assets and liabilities including amalgamation adjustment account, as taken over, adjustments as per Clause 29, cancellation of investments as per Clause 27 and face value of Amalgamation Equity Shares issued by the Transferee Company shall be recognized as 'Capital Reserves' in the books of Transferee Company.
- 29.7. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted as per guidance provided under Ind AS 103 'Business Combination', to ensure that the financial statements of



the Transferee Company reflect the financial position on the basis of consistent accounting policy.

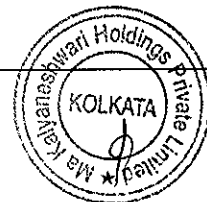
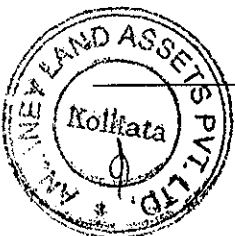
### 30. INDEMNIFICATION

Notwithstanding anything contained in this Scheme, the Promoters of the Transferee Company shall jointly and severally, indemnify and hold harmless the Indemnified Persons for any and all liabilities and obligations including all demands, claims, charges and suits, proceedings whether existing or contingent in nature and the like which may be made or instituted by any party including Appropriate Authority against the Indemnified Persons which are relatable to the Transferor Company which may devolve on the Transferee Company on account or pursuant to the Amalgamation irrespective of the fact that the liability arises and/ or becomes payable after the Amalgamation. Further, the Promoters of the Transferee Company shall secure, deposit or pay, as the case may be, any legal demand raised by the party including Appropriate Authority within the time frame provided therein. For avoidance of doubts, it is hereby clarified that all payments to the Indemnified Persons shall be grossed up to include any and all taxes payable with respect to the said payments. Notwithstanding anything to the contrary contained in this Scheme, the provisions of this Clause shall survive the revocation, cancellation or withdrawal of this Scheme for any reason whatsoever.

### 31. DISSOLUTION

Upon the coming into effect of the Scheme, the Transferor Company shall stand dissolved without winding up.

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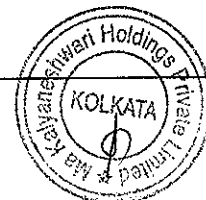


**PART IV**  
**GENERAL TERMS AND CONDITIONS**

**32. APPLICATION TO THE TRIBUNAL**

- 32.1. The Demerged Company/ Transferor Company, Resulting Company and the Transferee Company shall, with all reasonable dispatch, make a joint applications to the NCLT, under Sections 230 to 232 of the Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective shareholders and/ or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.
- 32.2. Sundae Capital Advisors Private Limited, a SEBI registered Category I merchant banker, pursuant to the SEBI Circular under its fairness opinion dated May 5, 2021 has certified that the Amalgamation Share Entitlement Report in reference to the Scheme, is fair and reasonable.
- 32.3. The Demerged Company/ Transferor Company, Resulting Company and the Transferee Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Demerged Company/ Transferor Company, Resulting Company and the Transferee Company, which the Demerged Company/ Transferor Company, Resulting Company and the Transferee Company may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Demerged Company/ Transferor Company, Resulting Company and the Transferee Company.
- 32.4. Upon this Scheme becoming effective, the respective shareholders of the Demerged Company/ Transferor Company, Resulting Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

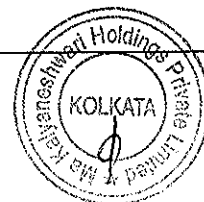
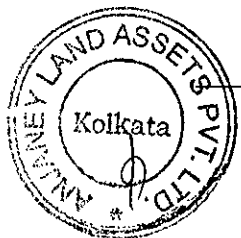
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### 33. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

33.1. The coming into effect of this Scheme is conditional upon and subject to:

- a) The Scheme being approved by requisite majorities of the shareholders and/ or creditors of the Demerged Company/ Transferor Company, Resulting Company and the Transferee Company as may be directed by the NCLT;
- b) Part III of the Scheme being approved by the shareholders of the Transferee Company through resolution passed in terms of Para 10(b) of SEBI Circular, as may be amended from time to time , provided that the same shall be acted upon only if votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it;
- c) The requisite consent, approval or permission of the Appropriate Authority or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- d) The Stock Exchange(s) issuing their observation/ no-objection letters, wherever required under applicable laws and SEBI issuing its comments on the Scheme, to the Transferee Company, as required under the SEBI Circular and other applicable laws;
- e) The sanctioning of this Scheme by the NCLT, whether with any modifications or amendments as NCLT may deem fit or otherwise;
- f) Any other sanctions and orders as may be directed by the NCLT while sanctioning the Scheme;
- g) Receipt of dividends by the Transferor Company from the Transferee Company for the financial year ended March 31, 2021, if declared and approved by the shareholders of the Transferee Company, prior to the due date of filing certified copy of order of NCLT, sanctioning the Scheme, with the ROC; and
- h) Certified copy of the order of the NCLT, sanctioning the Scheme being filed with ROC.





33.2. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

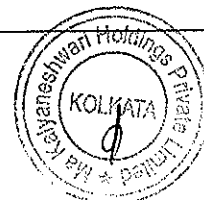
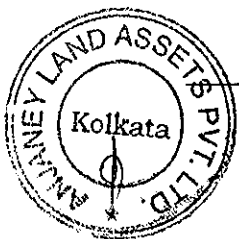
33.3. If any part of this Scheme is invalid, ruled illegal by NCLT or any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected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

#### 34. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

34.1. Subject to approval of NCLT, the Demerged Company /Transferor Company, Resulting Company and the Transferee Company by their respective Boards of Directors, may assent to/ make and/ or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/ or any other Appropriate Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors). The Demerged Company/Transferor Company, Resulting Company and the Transferee Company by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

#### 35. EFFECT OF NON-RECEIPT OF APPROVALS, MATTERS RELATING TO REVOCATION AND WITHDRAWAL OF THE SCHEME

35.1. In the event of any of the said approvals or conditions referred to in Clause 33 above not being obtained and/ or complied with and/ or satisfied and/ or the Scheme not being sanctioned by the Tribunal and/ or order or orders not being passed as aforesaid



by such date as may be mutually agreed upon by the respective Board of Directors of the Demerged Company/ Transferor Company, Resulting Company and the Transferee Company (who are hereby empowered and authorized to agree to the aforesaid period 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. The Promoters/ Promoter Group/ entities owned and controlled by the Promoters or Promoter Group of the Transferee Company shall bear the cost, charges and expenses in connection with the Scheme.

35.2. In the event of revocation under Clause 35.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Demerged Company/ Transferor Company, Resulting Company and the Transferee Company or 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 as is specifically provided in the Scheme or in accordance with the Applicable Laws.

35.3. Notwithstanding anything contained in Clause 35.1 and Clause 35.2, the Board of Directors of the Demerged Company/ Transferor Company, Resulting Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

## 36. SEQUENCING OF EVENT

36.1. Upon the sanction of the Scheme and upon the Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder:

- (i) Part II which provides for Demerger of the Demerged Undertaking of the Demerged Company with the Resulting Company shall be effective and operative prior to coming effect of Part III. Upon Part II of the Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder:



- a. Demerger of the Demerged Undertaking of the Demerged Company into and with the Resulting Company in accordance of the Scheme;
  - b. Issue of shares of the Resulting Company to the shareholders of the Demerged Company as on the Record Date in accordance with the Scheme; and cancellation of the investments held by the Demerged Company in the Resulting Company, if any; and
- (ii) Part III which provides for the Amalgamation of the Transferor Company with the Transferee Company shall be effective and operative after coming into effect of Part II of the Scheme. Upon Part III of the Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative, only in the sequence and in the order mentioned hereunder:
- a. Amalgamation of the Transferor Company into and with the Transferee Company in accordance of the Scheme;
  - b. Issue of shares of the Transferee Company to the shareholders of the Transferor Company as on the Record Date in accordance with the Scheme; and cancellation of the investments held by the Transferor Company in the Transferee Company, if any

### 37. PERMISSION TO RAISE CAPITAL

- 37.1. Notwithstanding anything contained in this Scheme and subject to Applicable Laws, until this Scheme becomes effective, the Demerged Company/ Transferor Company, Resulting Company and the Transferee Company shall have right to raise capital whether *via* preferential issue of equity/ convertible/ non-convertible securities to one or more financial or strategic investors or in any other way for the efficient functioning of their business or for any other purpose including for the purposes of refinancing, repayment, conversion or prepayment of any loans.
- 37.2. Provided further that, any change in capital structure of the Transferor Company shall be made subject to the approval of SEBI/ Stock Exchange(s).



### 38. COST CHARGES AND EXPENSES

- 38.1. Except as otherwise expressly provided in the Scheme, the Promoters/ Promoter Group/ entities owned and controlled by the Promoters or Promoter Group of the Transferee Company shall bear the cost, charges, fees, taxes, taxes and expenses including stamp duty costs (“**Transaction Costs**”) in connection with the Scheme and matters incidental thereto, if any, in relation to the Scheme. To facilitate the payment of Transaction Costs, appropriate expense provisioning will be accounted for in the books of the Transferor Company and appropriate cash reserves will be maintained in the Transferor Company to meet the Transaction Costs.
- 38.2. Notwithstanding anything contained in this Scheme, all costs, charges, fees, taxes including duties (including the stamp duty, if any) arising out of or incurred in carrying out and implementing the terms and conditions of Part II of this Scheme which involves Demerger of the Demerged Undertaking of the Demerged Company into the Resulting and matters incidental thereto shall be borne by the Resulting Company.

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