

SCHEME OF AMALGAMATION
OF
DALMIA REFRACTORIES LIMITED
AND
GSB REFRACTORIES INDIA PRIVATE LIMITED
WITH
DALMIA BHARAT REFRACTORIES LIMITED
(FORMERLY KNOWN AS SRI DHANDAUTHAPANI MINES AND MINERALS LIMITED)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013)
("the Scheme")

PREAMBLE

- (A) Dalmia Refractories Limited** is a public company limited by shares, incorporated on 21st June, 1973 under the provisions of the Companies Act, 1956 and is having its registered office at Dalmiapuram, P.O. Kallakudi - 621 651, Dist.Tiruchirappalli, Tamil Nadu ('**DRL**').

The equity shares of DRL are listed on The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited.

DRL is engaged in the business of manufacturing and selling of refractory products and services.

- (B) GSB Refractories India Private Limited** is a private company limited by shares incorporated on 11th March, 2011 under the provisions of the Companies Act, 1956 and is having its registered office at Dalmiapuram, Dist. Tiruchirappali, Tamil Nadu- 621651 ('**GSB India**').

GSB India is involved in the manufacture of all types of pre-cast shapes likes lances and snorkels and other refractory items.

- (C) Dalmia Bharat Refractories Limited** is a public company limited by shares, incorporated on 4th October, 2006 under the provisions of the Companies Act, 1956 and is having its registered office at Dalmiapuram, Dist. Tiruchirappali, Tamil Nadu- 621651 ('**DBRL**').

DBRL is an entity identified to carry out the refractory operations of Dalmia Cement (Bharat) Limited, Dalmia Refractories Limited and GSB India. Pursuant to a separate Scheme of Arrangement amongst Dalmia Cement (Bharat) Limited and Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines and Minerals Limited) and their respective shareholders and creditors, the refractory business of Dalmia Cement (Bharat) Limited will be transferred to DBRL in the manner and on terms set out in that scheme ("**Scheme 1**"). The appointed date for Scheme 1 is April 1, 2019. Scheme 1 has been approved by the Board of Directors of DCBL and DBRL on November 14, 2019 and will become effective on receipt of necessary regulatory approvals as mentioned therein. On approval of Scheme 1, DBRL would be deemed to have been engaged in the manufacture and sale of refractories, refractory materials and products from the appointed date of Scheme 1.

RATIONALE FOR THE SCHEME

- (A) This Scheme involves merger of DRL and GSB India into DBRL. The objective of this Scheme is to consolidate the refractory business of DBRL, DRL and GSB India into DBRL in a manner which will enable creation of a consolidated refractory business of considerable size thereby leading to economies of scale and enhancement of value for all the involved companies, their respective shareholders and stakeholders. The rationale for the Scheme is set out below:
1. The Scheme will result in financial resources as well as managerial, technical, distribution and marketing resources of DBRL, DRL and GSB India being efficiently pooled, leading to a centralized and more efficient management of funds, greater economies of scale and a bigger and stronger resource base for future growth of the refractory business, which are presently divided and are getting dissipated amongst different companies.
 2. The Scheme will result in consolidation of the refractory business of DBRL, DRL and GSB India thereby resulting in expansion and creation of a consolidated refractory business of considerable size.
 3. The Scheme will result in simplification of the corporate structure with one listed company comprising of the entire refractory business.
 4. Synergies arising out of consolidation of the refractory business through the Scheme will lead to: (i) alignment of interest of all shareholders and stakeholders, (ii) improved earnings and cash flow of DBRL, and (iii) improved alignments of future debt repayments with improved and unfettered cash flow generated by the consolidated business.
 5. DBRL, being the consolidated entity will facilitate fund raising (both debt and equity) due to its enlarged net worth base and increased business capability to offer a wider portfolio of products and services to its customers by virtue of its diversified businesses, enlarged resource base and deeper client relationships, thus improving its ability to effectively exploit the growing market potential and enhanced business prospects.
 6. The Scheme would make it easier to address needs of customers by providing them uniform products and service experience, on-time supplies, improved service levels thereby improving customer satisfaction.
 7. The Scheme, as envisaged, would enable seamless access to strong business relationships, closer and better focused attention being given to the refractory business which would get integrated, aligned and streamlined, leading to achievement of their full business and growth potential.
- (B) The Board of Directors (as defined hereinafter) of DRL, GSB India and DBRL in their meeting held on November 14, 2019 had inter alia approved this scheme, incorporating therein the proposed: (i) Amalgamation of DRL with DBRL and consequent listing of DBRL; and (ii) Amalgamation of GSB India with DBRL and subsequently on April 5, 2021 approved certain modifications to the said scheme.
- (C) The Scheme, depending on the relevant circumstances, shall take effect in the sequence as provided herein after.

PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions and interpretations used in this Scheme;
- (ii) **PART II** deals with particulars of share capital of DRL, GSB India and DBRL;
- (iii) **PART III** deals with provisions relating to amalgamation of DRL with DBRL and consequent listing of DBRL;
- (iv) **PART IV** deals with provisions relating to amalgamation of GSB India with DBRL (which shall come into effect only after the amalgamation contemplated in Part III); and
- (v) **PART V** deals with general terms and conditions and other miscellaneous provisions applicable to this Scheme.

PART I – DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

In this Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 including the rules and regulations made thereunder, and any alterations, modifications, amendments made thereto and/or any re-enactment thereof, as applicable and for the time being in force;
- 1.2 **“Amalgamation”** means the amalgamation of Transferor Company 1 and Transferor Company 2 with Transferee Company in terms of section 2(1B) of the Income Tax Act, 1961 and to be implemented in terms of Part III and Part IV respectively of the Scheme;
- 1.3 **“Applicable Law”** means: (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, circulars, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.4 **“Appointed Date”** shall mean April 1, 2020 or such other date as may be agreed by the Board of DRL, GSB India, and DBRL or as the Hon’ble NCLT may decide/approve, being the date with effect from which this Scheme shall become operative and/or be deemed to have become operative;
- 1.5 **“Board of Directors” or “Board”** in relation to Transferor Company 1, Transferor Company 2, and Transferee Company, as the case may be, means the Board of Directors of such company, and shall include a committee duly constituted and authorized by each of the companies and/or their respective Boards, for the purposes of various matters pertaining to the Scheme and/or any other related, connected or incidental matters;
- 1.6 **“DRL” or “Transferor Company 1”** means Dalmia Refractories Limited a public company limited by shares, incorporated on 21st June, 1973 under the provisions of the Companies Act, 1956 and having its registered office at Dalmiapuram, P.O. Kallakudi, Dist.Tiruchirappalli, Tamil Nadu-621651;
- 1.7 **“DRL ESOP Scheme 2018”** means the Dalmia Refractories Limited – Employees Stock Option Scheme 2018 floated by the Transferor Company 1 pursuant to which shares in the Transferor Company 1 will be issued to the Eligible Employees and Directors upon exercise of the options;
- 1.8 **“Effective Date”** shall mean the last of the dates on which all the conditions and matters referred to in Clause 36 of this Scheme have been fulfilled or are waived by the Board of Transferor Company 1, Transferor Company 2, and Transferee Company. Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “coming into effect of this Scheme” shall mean the “Effective Date”;
- 1.9 **“Effective Date for Scheme 1”** means the last of the dates on which all conditions and matters referred to in Clause 20 of Scheme 1 have been fulfilled or are waived by the Board of Dalmia Cement (Bharat) Limited and DBRL;
- 1.10 **“Eligible Employees”** means all the employees/Key Managerial Personnel of the Transferor Company 1, holding options under the DRL ESOP Scheme 2018 as on the Effective Date;
- 1.11 **“Employee Stock Options”** means the Employee Stock Options granted to Eligible Employees under the DRL ESOP Scheme 2018;
- 1.12 **“Encumbrance”** means any: (i) charge, lien (statutory or other), or mortgage, any easement, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, Transfer, receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above, and the term **“Encumbered”** shall be construed accordingly;
- 1.13 **“Governmental Authority”** means any applicable central, state or local government or semi-government, legislative body, executive, regulatory or administrative authority, local authority, agency or commission or any court, tribunal, board, department, commission, entity, agency, bureau, instrumentality, official, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India (“RBI”) and the Securities and Exchange

Board of India (“SEBI”) or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

- 1.14. **“GSB India”** or **“Transferor Company 2”** means GSB Refractories India Private Limited, a private company limited by shares, incorporated on 11th March, 2011 under the provisions of the Companies Act, 1956 and having its registered office at Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651;
- 1.15 **“Income Tax Act”** means the Income Tax Act, 1961, including the rules made thereunder, and any amendments, alterations, modifications made thereto or any re-enactments thereof for the time being in force;
- 1.16 **“National Company Law Tribunal”** or **“NCLT”** means the National Company Law Tribunal constituted by the Central Government under section 408 of the Act having jurisdiction in relation to Transferor Company 1, the Transferor Company 2, and the Transferee Company;
- 1.17 **“Record Date”** means such date to be fixed by the Board of Transferor Company 1 in consultation with the Board of Transferee Company for the purposes of determining, the shareholders of Transferor Company 1 to whom shares would be issued in terms of Clause 6 of the Scheme;
- 1.18 **“Registrar of Companies”** means the jurisdictional Registrar of Companies;
- 1.19 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Amalgamation in its present form as submitted to the Hon’ble NCLT or this Scheme with such modification(s), if any made, as per Clause 33 of the Scheme;
- 1.20 **“Scheme 1”** means the Scheme of Arrangement amongst Dalmia Cement (Bharat) Limited and Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines and Minerals Limited) and their respective shareholders and creditors;
- 1.21 **“DBRL”** or **“Transferee Company”** means Dalmia Bharat Refractories Limited, a public company limited by shares, incorporated on 4th October, 2006 under the Companies Act, 1956 and having its registered office at Dalmiapuram, Distt. Tiruchirappalli, Tamil Nadu- 621651.
- 1.22 **“Stock Exchanges”** means The Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited;
- 1.23 **“Taxation”** or **“Tax”** or **“Taxes”** means all forms of taxes (whether direct or indirect) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Company 1, Transferor Company 2, and Transferee Company and all penalties, charges, costs and interest relating thereto;
- 1.24 **“Tax Laws”** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, goods and services tax or any other levy of similar nature;
- 1.25 **“Transferor Companies”** means Transferor Company 1, and Transferor Company 2 collectively.

2. CONSTRUCTION

- 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 prescribed to them under the Act, Income Tax Act, the Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996, Indian Accounting Standards, other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.
- 2.2 In this Scheme, unless the context otherwise requires:
 - a) Words denoting singular shall include plural and vice versa;
 - b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
 - c) references to the word “include” or “including” shall be construed without limitation;
 - d) a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

- e) reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- f) references to a person include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether having separate legal personality or not).
- g) references to any of the terms, taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- h) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.
- i) unless otherwise defined, the reference to the word “days” shall mean calendar days;
- j) references to dates and times shall be construed to be references to Indian dates and times;
- k) any reference to any statute or statutory provision shall include:
 - (i) all subordinate legislations made from time to time under that provision (whether amended, modified, re-enacted or consolidated from time to time or not) and any retrospective amendment; and
 - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

PART II - SHARE CAPITAL

3. SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid-up share capital of Transferor Company 1 as on November 14, 2019 is as under:

Share Capital	Amount in crs
Authorized Share Capital	
50,00,000 Equity Shares of Rs. 10/- each	5.00
Total	5.00
Issued, Subscribed and Paid-up Share Capital	
31,52,084 Equity Shares of Rs. 10/- each	3.15
Total	3.15

As on date, the Transferor Company 1 has 1,65,000 outstanding Employee Stock Options granted under the DRL ESOP Scheme 2018. Of the said Employee Stock Option, 49500 have been vested as on March 31, 2021. Upon exercise of the aforementioned Employee Stock Options, the issued, subscribed and paid up share capital of the Transferor Company may increase to that extent.

- 3.2 The authorized, issued, subscribed and paid up share capital of Transferor Company 2 as on November 14, 2019 is as under:

Share Capital	Amount in crs
Authorized Share Capital	
50,00,000 equity shares of Rs. 10/- each	5.00
Total	5.00
Issued, Subscribed and Paid-up Share Capital	
8,37,687 equity shares of Rs. 10/-each	0.83
Total	0.83

3.3 The authorized, issued, subscribed and paid-up share capital of Transferee Company as on November 14, 2019 is as under:-

Share Capital	Amount in crs
Authorized Share Capital	
4,00,00,000 equity shares of Rs. 10/- each	40.00
Total	40.00
Issued, Subscribed and Paid-up Share Capital	
70,000 equity shares of Rs. 10/- each, fully paid up	0.07
Total	0.07

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

PART III – AMALGAMATION OF TRANSFEROR COMPANY 1 WITH TRANSFEREE COMPANY

5.1 TRANSFER AND VESTING

Upon the Scheme becoming effective, with effect from the Appointed Date, all the assets and liabilities of the Transferor Company 1 shall, in accordance with Sections 230 to 232 of the Act stand transferred to and vested in or be deemed to be transferred to and vested in Transferee Company as a going concern, by way of amalgamation, without any further act, instrument or deed, so as to become, as from the Appointed Date, the assets and liabilities of Transferee Company in the following manner:

- 5.1.1. All the moveable assets of Transferor Company 1 capable of being transferred and vested by delivery, including plant and machinery, or which are incorporeal property shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to Transferee Company along with such other documents as may be necessary or by manual/constructive delivery and/or by delivery of possession and/or by endorsement and delivery, as appropriate in relation to the property/asset, towards the end and intent that the property therein passes to Transferee Company on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of Transferee Company accordingly. The investments of Transferor Company held in dematerialized form will be transferred to Transferee Company by issuing appropriate delivery instructions to the depository participant with whom Transferor Company 1 has an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Transferor Company 1 and Transferee Company, being a date after the sanction of the Scheme by the NCLT.
- 5.1.2. The moveable assets of Transferor Company 1, other than those specified in the Clause above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested in as the property of Transferee Company. Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of Transferee Company to recover or realise the same is in substitution of the right of Transferor Company 1 and that appropriate entry should be passed in its respective books to record the aforesaid charges. Any document of title pertaining to the assets of Transferor Company 1 shall also be deemed to have been mutated and recorded as titles of Transferee Company to the same extent and manner as originally held by Transferor Company 1 to the end and intent that all the ownership, right, title and interest so vesting in Transferee Company will be such as if Transferee Company was originally Transferor Company 1. Transferee Company shall, be entitled to the delivery and possession of all documents of title including all related documents of all such movable assets of Transferor Company 1.

- 5.1.3. Without prejudice to any of the Clauses above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties of Transferor Company 1, including land together with buildings and structure and rights thereon, whether freehold or leasehold, and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested in Transferee Company, as of the Appointed Date. The mutation of the title to the immoveable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of Transferee Company without requirement of execution of any further documents for registering the name of Transferee Company as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, etc. may rely on the Scheme along with the copy of the Order passed by the NCLT sanctioning the Scheme, to make necessary mutation entries and changes in the land or revenue records to reflect the name of Transferee Company as owner of the immovable properties. For the purposes of giving effect to the Scheme, if required, the Transferor Company 1 and Transferee Company may execute separate conveyance deeds to effectuate the transfer of immovable property located in different states. For the purpose of determination of the stamp duty pursuant to the said transfer, the reckoner value of the immovable property would be deemed to be the consideration.
- 5.1.4. All intellectual property including registrations, licenses, trademarks, logos, service marks, copyrights, domain names, trade names, and applications relating thereto, goodwill, know how, trade secrets or any other property of like nature, of Transferor Company 1, if any, shall stand vested in Transferee Company without any further act, instrument or deed.
- 5.1.5. The transfer and vesting of the business of Transferor Company 1, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof.
- With effect from the Appointed Date and upon the Scheme becoming effective, Transferee Company undertakes to meet, discharge and satisfy the loans, borrowings, debts and financial assistance pertaining to Transferor Company 1.
- Provided also that the transfer and vesting of loans/liabilities shall continue to have encumbrances confined only to the relevant assets of the Transferor Company 1 or part thereof and no such encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of or to be availed of by it, and the encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.
- Provided that all loans (raised and utilized), liabilities, duties and taxes and obligations of the Transferor Company 1 incurred or undertaken on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company and shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company and the same shall be assumed by Transferee Company and Transferee Company shall meet, discharge and satisfy the same.
- 5.1.6. Without prejudice to the generality of the forgoing, it is clarified that upon the coming into effect of this Scheme, all permits (including mining leases), authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested, contingent or impending), of every kind and description of whatsoever nature in relation to Transferor Company 1, to which Transferor Company 1 is a party to or to the benefit of which Transferor Company 1 may be eligible and which are subsisting or having effect immediately before the Appointed Date shall subject to Applicable Law, stand transferred to and vested in or shall be deemed to be transferred to and vested in Transferee Company as if the same were originally given or issued to or executed in favour of Transferee Company, and the rights and benefits under the same shall be available to Transferee Company. Further, Transferor Company 1 and/or Transferee Company shall execute such further deeds or documents as may be required to give effect to this Clause.
- 5.1.7. All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of Transferor Company 1 after the Effective Date shall be accepted by the banker(s) of Transferee Company and credited to the account of Transferee Company, if presented by Transferee Company or received through electronic transfers. Similarly, the banker(s) of Transferee Company shall honour all cheques/electronic fund transfer instructions issued by Transferor Company 1 for payment after the Effective Date.

- 5.1.8. All the liabilities, whether or not provided in the books of Transferor Company 1 shall, without any further act, instrument or deed, be transferred to and vested into as the liabilities of the Transferee Company, to the extent they are outstanding on the Appointed Date and shall become the liabilities of Transferee Company on the same terms and conditions as were applicable to Transferor Company 1, and Transferee Company alone shall meet, discharge and satisfy the same.
- 5.1.9. All liabilities of Transferor Company 1, including those which are incurred or which arise or accrue on or after the Appointed Date but prior to the Effective Date, shall, without any further act, instrument or deed, be transferred to and vested into as the liabilities of Transferee Company and the same shall be assumed by Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to Transferor Company 1 and Transferee Company alone shall meet, discharge and satisfy the same.
- 5.1.10. All inter-se liabilities, between Transferor Company 1 and Transferee Company, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Transferee Company.
- 5.1.11. Any liabilities of Transferor Company 1 as on the Appointed Date that are discharged by Transferor Company 1 on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of Transferee Company.
- 5.1.12. All loans raised and utilised, liabilities, duties and taxes and obligations incurred or undertaken by or on behalf of Transferor Company 1 on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company and shall, without any further act, instrument or deed, be transferred to and vested into the Transferee Company and the same shall be assumed by Transferee Company and to the extent they are outstanding on the Effective Date, Transferee Company shall meet, discharge and satisfy the same.
- 5.1.13. 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, duties and obligations have arisen in order to give effect to the provisions of this clause.
- 5.1.14. Taxes, if any, paid or payable by the Transferor Company 1 after the Appointed Date shall be treated as paid or payable by the Transferee Company and the Transferee Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company 1, including any taxes paid and taxes deducted at source and deposited by the Transferor Company 1 on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax Act. Any TDS deducted by, or on behalf of, the Transferor Company 1 on inter se transactions will be treated as tax deposited by the Transferee Company.
- 5.1.15. If the Transferor Company 1 is entitled to any unutilized credits (including balances or advances), benefits, subsidies, grants, special status and other benefits or privileges of whatsoever nature under the incentive schemes and policies including tax holiday or concessions under any Tax Laws or Applicable Laws, the same shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to Transferee Company as if Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions and the Transferee Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be automatically without any specific approval or permission.
- 5.1.16. All benefits of any and all corporate approvals as may have already been taken by Transferor Company 1, whether being in the nature of compliances or otherwise, shall stand vested in Transferee Company and the said corporate approvals and compliances shall, be deemed to have been taken/complied with by Transferee Company.
- 5.1.17. Upon Part III of the Scheme becoming effective, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 5.1.18. It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company 1, shall, if so required by the Transferee Company, issue notices in such form as the Transferee

Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company 1, to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

- 5.1.19. The provisions of this Scheme as they relate to the amalgamation of Transferor Company 1, have been drawn up in compliance with the conditions relating to 'Amalgamation' as specified under section 2(1B) of the Income Tax Act, effective as on the date of the Scheme being approved by the Board of Transferor Company 1 and Transferee Company. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will however not affect the other parts of the Scheme.

6. CONSIDERATION

- 6.1. Upon coming into effect of the Scheme and in consideration for amalgamation of Transferor Company 1 with Transferee Company, Transferee Company shall, without any further application or deed, issue and allot equity shares of face value INR 10/- each at a premium of Rs. 180.6/- each, credited as fully paid up, to all the shareholders of Transferor Company 1 or to their respective heirs, executors, administrators or other legal representatives or the successors in title, as the case may be, whose names appear in the register of members of Transferor Company 1 as on the Record Date in the following proportion:

"768 (Seven Hundred and Sixty Eight) Equity Shares of the Face Value of INR 10/- each of Transferee Company, credited as fully paid-up, shall be issued and allotted for every 100 (One Hundred) Equity Shares of the Face Value of INR 10/- each held in Transferor Company 1 ("Fair Share Exchange Ratio")"

- 6.2. The Equity Shares to be issued to the shareholders of Transferor Company 1 as 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 including dividends (subject to the provisions of Section 123 of the Act) for the purpose of any dividend declared after the Scheme becomes effective. The holders of the equity shares of Transferor Company 1 and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the companies of which they are members for the financial year up to the Effective Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of Transferor Company 1 or Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Transferor Company 1 and Transferee Company and subject to the approval of the shareholders of Transferor Company 1 and Transferee Company.
- 6.3. Any fractions which arise as a result of the Fair Share Exchange Ratio shall be rounded off to the next integer.
- 6.4. The equity shares shall be issued in dematerialized form to those shareholders who hold shares of Transferor Company 1 in dematerialized form, in to the account in which shares of Transferor Company 1 are held or such other account as is intimated by the shareholders to Transferor Company 1 and/or its Registrar before the Record Date. All those shareholders of Transferor Company 1 who hold shares in physical form shall receive the equity shares in dematerialized form provided the details of their account with the depository participant are intimated in writing to Transferor Company 1 and/or its Registrar before the Record Date. In an event the Transferor Company 1 or the Transferee Company does not receive details of the depository participant from such shareholders before the Record Date, the Transferee Company shall issue its equity shares to such shareholders of the Transferor Company 1 in physical form.
- 6.5. The equity shares to be issued by Transferee Company to the members of Transferor Company 1 pursuant to sub clause 6.1 of this Scheme, in respect of any shares held in Transferor Company 1 which are held in abeyance under the provisions of Section 126 of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by Transferee Company.
- 6.6. The Board of the Transferee 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 equity shares to the shareholders of Transferor Company 1 pursuant to sub clause 6.1 of the Scheme.

- 6.7. The equity shares to be issued to the members of Transferor Company 1 pursuant to sub clause 6.1 of this Scheme and the existing equity shares of the Transferee Company (including those issued pursuant to Scheme 1) will be listed and/or admitted to trading on all the Stock Exchanges on which shares of Transferor Company 1 are listed on the Effective Date. Further, it is intended that the Transferee Company, at its sole discretion, may also evaluate and endeavor to list the said equity shares on the BSE Limited, subject to satisfaction of applicable laws and regulations. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. The equity shares of Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s). There shall be no change in the shareholding pattern or control in Transferee Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges.
- 6.8. In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of Transferor Company 1, the Board of the Transferor Company 1 shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising on account of the transfer of shares after the Scheme becomes effective.
- 6.9. Transferee Company shall, if necessary and to the extent required, increase its authorized share capital to facilitate issue of equity shares under this Scheme.
- 6.10. Approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance of the provisions of Section 42 and Section 62 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Transferee Company to the shareholders of Transferor Company 1, as provided in this Scheme.
- 6.11. The approval of this Scheme by the shareholders of Transferor Company 1 and Transferee Company under Sections 230 - 232 of the Act shall be deemed to have the approval under sections 13, 14, 180 and 186 of the Act and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 6.12. Approval of this Scheme and consequent issue of shares pursuant to sub clause 6.1 above shall be deemed to be in compliance with the requirements of the Ministry of Corporate Affairs Notification No. G.S.R. 853(E) dated September 10, 2018 and other applicable provisions of the Act (including the rules framed thereunder).

7. ACCOUNTING TREATMENT

7.1. IN THE BOOKS OF TRANSFEEE COMPANY

Transferee Company shall, upon the Scheme becoming effective and with effect from the Appointed Date, account for Part III of the Scheme as per IND AS 103 as under:

- 7.1.1. Transferee Company shall record all the identifiable assets and liabilities of Transferor Company 1 at their respective fair values as may be determined by the Board of Transferee Company.
- 7.1.2. Transferee Company shall credit to the equity share capital the aggregate face value of equity shares issued pursuant sub clause 6.1. Transferee Company shall credit to its Securities Premium Account, the aggregate premium on equity shares issued by it pursuant to sub clause 6.1 of this Scheme. Securities Premium so created will be treated at par with any other Securities Premium existing in the books of the Transferee Company prior to this Scheme.
- 7.1.3. To the extent that there are inter-company loans, advances, investments, deposits or other obligations as between Transferee Company and Transferor Company 1, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the Appointed Date.
- 7.1.4. Excess, if any, of the consideration (i.e. fair value of equity shares issued) as per sub clause 7.1.2 and the aggregate fair value of net assets recorded as per sub clauses 7.1.1 and 21.1.1 and after giving effect to the adjustment as per sub clauses 7.1.3 and 21.1.2, shall be recorded as goodwill and shortfall, as the case may be, will be adjusted in capital reserve account.
- 7.1.5. The Transferee Company shall record in its books of account, all transactions of the Transferor Company 1 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

- 7.1.6. The Board may adopt any other accounting treatment which is in accordance with Accounting Standards notified under the Act.

8. REDUCTION OF SECURITIES PREMIUM ACCOUNT OF TRANSFEREE COMPANY

- 8.1 Any goodwill arising as result of sub clause 7.1.4 if not represented by underlying assets, shall be adjusted against the Securities Premium Account (including securities premium arising pursuant to sub clause 6.1 above) of the Transferee Company.
- 8.2 The utilization of the Securities Premium Account of the Transferee Company as mentioned in sub clause 8.1 above shall be effected as an integral part of this Scheme without having to follow the process under Section 52 read with Section 66 of the Act separately and the order of the NCLT sanctioning the Scheme shall be deemed to be the order under Section 66 of the Act for the purposes of confirming the reduction. The Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

9. AGGREGATION OF AUTHORISED SHARE CAPITAL

- 9.1 Upon the Scheme becoming effective and with effect from the Appointed date, the authorised share capital of Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of Transferor Company 1 as on the Effective Date.
- 9.2 The Memorandum of Association of Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended and no future resolutions under section 13, 61 and any other applicable provisions of the Companies Act, 2013 would be required to be separately passed. The stamp duties and fees paid on the authorised capital of Transferor Company 1 shall be utilized and applied to the increased authorised share capital of Transferee Company and shall be deemed to have been so paid by Transferee Company for increase in the authorised share capital on such combined authorised share capital and accordingly no payment of any extra stamp duty and/or fee shall be payable by Transferee Company for increase in the authorised share capital to that extent. If any extra stamp duty and/or fee is payable by the Transferee Company, Transferee Company shall pay the same as and when required. The Memorandum of Association and Articles of Association of Transferee Company shall be amended as may be required to give effect to this Clause. Accordingly, the revised Memorandum of Association of Transferee Company shall read as under:

"V. The authorized share capital of the Company is Rs. 45,00,00,000/- (Rupees Forty Five crores only) divided into 4,50,00,000 (Four crore fifty lakh only) Equity shares of Rs. 10/- each with power of the Board of Directors of the Company to increase or reduce such capital, from time to time, in accordance with the Company regulations and the legislative provisions for the time being in force in this behalf and with power to sub-divide the shares in the capital for the time being"

- 9.3 It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum and Articles of Association of Transferee Company as may be required under the Act.

10. EMPLOYEES

- 10.1 On the Scheme becoming effective all staff, workmen and employees of Transferor Company 1 who are in service as on the Effective Date shall become staff, workmen and employees of Transferee Company by operation of law, on same terms and conditions, which shall be no less favorable than those on which they are engaged by Transferor Company 1, without any break in their service and based on continuity of service. Transferee Company agrees that the services of all such employees with Transferor Company 1, up to the Effective Date shall be considered for purposes of all retirement benefits to which they may be eligible as on the Effective Date.
- 10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employee of the Transferor Company 1 shall, with the approval of the concerned authorities, become Funds of Transferee Company, or shall be transferred to or merged with other similar funds of Transferee Company for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of respective Trust Deeds or other agreements, if any, to the end and intent that all rights, duties, powers and obligations of Transferor Company 1 in relation to such Funds shall become those of Transferee Company and Transferee Company shall stand substituted for Transferor Company 1 for all purposes and intents, whatsoever, relating to the administration or operations of

such schemes or funds. Further, the employees of Transferor Company 1 entitled to the benefit of superannuation and gratuity fund from Transferor Company 1 as on Effective Date, shall continue to be entitled to the same from Transferee Company. It is the intent that all the rights, duties, powers and obligations of Transferor Company 1 in relation to such fund or funds shall become those of Transferee Company without need of any fresh approval from any Governmental Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees by Transferee Company and the services of all such employees of Transferor Company 1 for such purpose shall be treated as having been continuous.

- 10.3 Services of all employees of Transferor Company 1, shall be taken into account by Transferee Company for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in Transferor Company 1. Transferee Company undertakes to pay the same, as and when payable under Applicable Laws.
- 10.4 Transferor Company 1 will transfer/handover to Transferee Company, copies of employment information of all such transferred employees of Transferor Company 1, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 10.5 Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by Transferor Company 1 with its employees, which are subsisting or having effect immediately prior to Appointed Date and continuing from Appointed Date till the Effective Date.

11. EMPLOYEE STOCK OPTIONS

- 11.1 Upon the Scheme becoming effective, in lieu of every 100 (One Hundred) Employee Stock Options held by Eligible Employees under the DRL ESOP Scheme 2018 (whether vested or not), the Transferee Company shall grant 768 (Seven Hundred and Sixty Eight) new stock options ("New Options") under a new stock option scheme framed by the Transferee Company ("DBRL ESOP Scheme 2020") as per the Employee Stock Option Plan (ESOP) Guidelines to the Eligible Employees. The New Options shall entitle the Eligible Employees to purchase 1 (One) equity share of Transferee Company for every 1 (One) New Option. Further and simultaneously with the issuance of New Options by Transferee Company under the DBRL ESOP Scheme 2020, the Employee Stock Options held by Eligible Employees under the DRL ESOP Scheme 2018 shall automatically stand cancelled.
- 11.2 Fractional entitlements, if any, arising pursuant to the applicability of the exchange ratio (as set out in clause 11.1. above) as above shall be rounded off to the nearest higher integer.
- 11.3 The exercise price payable for the New Options shall be such as may be determined by the Board of Transferee Company taking in to consideration the terms of DRL ESOP Scheme 2018.
- 11.4 Subject to Applicable Laws, the effect of the New Options shall be appropriately reflected in the books of accounts of Transferee Company.
- 11.5 The aforesaid grant of New Options to the Eligible Employees shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferor Company 1 and Transferee Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the DRL ESOP Scheme 2018 and the DBRL ESOP Scheme 2020 including without limitation for the purposes of framing the DBRL ESOP Scheme 2020, modifying the DRL ESOP Scheme 2018 (including, inter alia, increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the DRL ESOP Scheme 2018 and/or modifying the exercise price of the stock option under the DRL ESOP Scheme 2018), and all related matters. No further approval of the shareholders of the Transferor Company 1 or the Transferee Company or resolution, action or compliance would be required in this connection under any of the applicable provisions of the Act and/or under the SEBI (Share Based Employee Benefits) Regulations, 2014 and any other Applicable Laws.
- 11.6 In relation to the New Options granted by the Transferee Company to the Eligible Employees under the DBRL ESOP Scheme 2020, the period during which the Employee Stock Options granted by the Transferor Company 1 under DRL ESOP Scheme 2018 were held by or deemed to have been held by the Eligible Employees shall be taken into

account for determining the minimum vesting period required under the Applicable Law, the DRL ESOP Scheme 2018 and the DBRL ESOP Scheme 2020.

- 11.7 The Board of Directors of Transferor Company 1 and Transferee Company or any of the committee(s) thereof shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

12. ENCUMBRANCES

- 12.1 All encumbrances existing prior to the Effective Date, if any, which secure or relate to the liabilities of Transferor Company 1, shall, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It is clarified that the aforesaid encumbrances shall not be extended to any assets of the Transferor Company 1 which were earlier not encumbered or the existing assets of Transferee Company. 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.
- 12.2 Any reference in any security documents or arrangement to which Transferor Company 1 is a party and which pertain to Transferor Company 1, shall be construed as a reference to Transferee Company.
- 12.3 Without prejudice to the foregoing provisions, Transferee Company may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge with the Registrar of Companies to give formal effect to the above provisions, as required.
- 12.4 The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.
- 12.5 Transferee Company shall, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which Transferor Company 1 have been a party, including any filings with the regulatory authorities, and do all such acts or things as may be necessary for transfer/vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company 1 including their respective business and operations, into Transferee Company in order to give formal effect to the above provisions. Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of Transferor Company 1 and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of Transferor Company 1 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

13. LEGAL PROCEEDINGS

- 13.1 Upon the Scheme becoming effective, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, by or against Transferor Company 1 in any court or before any authority, judicial, quasi-judicial or administrative, any adjudicating authority pending and/or arising on or after the Appointed Date, shall be continued and enforced by or against Transferee Company in the manner and to the same extent as would have been continued and enforced by or against Transferor Company 1. Transferor Company 1 shall not be liable to pay any amounts arising out of such proceedings including interest, penalties, damages, costs etc. and the same shall be paid only by Transferee Company.
- 13.2 Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Company 1 referred to in sub clause 13.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Transferee Company to the extent legally permissible after the Scheme being effective.

14. BORROWING LIMITS AND CORPORATE APPROVALS

- 14.1 With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without any further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Company 1, such limits being incremental to the existing limits of the Transferee Company.
- 14.2 Any corporate approvals obtained by the Transferor Company 1, whether for the purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

15. TRANSACTIONS UPTO THE EFFECTIVE DATE

Upon filing the Scheme with the Hon'ble NCLT and up to and including the Effective Date:

- 15.1 Transferor Company 1 shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the businesses and undertakings of Transferor Company 1 for and on account of and in trust for Transferee Company. Transferor Company 1 hereby undertakes to hold their said assets with utmost prudence until the Effective Date.
- 15.2 Transferor Company 1 shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Transferee Company undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party; or alienate, charge, mortgage, encumber or otherwise deal with or dispose of its assets or any part thereof.
- 15.3 With effect from the Appointed Date all the profits or income accruing or arising to Transferor Company 1 or expenditure or losses arising or incurred or suffered by Transferor Company 1 shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Transferee Company. All taxes (including Income Tax, Service Tax, Value Added Tax, GST etc.), paid or payable whether by way of deduction at source, advance tax or otherwise, by Transferor Company 1, in respect of the profits or activities or operations of business after the Appointed Date, the same shall be deemed to be paid or payable on behalf of Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 15.4 Transferor Company 1 shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or with the prior written consent of Transferee Company or pursuant to any pre-existing obligation undertaken by Transferor Company 1, as the case may be, prior to the Effective Date.
- 15.5 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which Transferee Company may require pursuant to this Scheme.

16. CONTRACTS, DEEDS, ETC.

- 16.1 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 (including but not limited to all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements to which Transferor Company 1 are a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company, as the case may be, and may be enforced by or against Transferee Company as fully and effectually as if, instead of Transferor Company 1, Transferee Company had been a party thereto.
- 16.2 Transferee 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 Transferor Company 1 will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Transferor Company 1 and to implement or carry out all formalities required on the part of Transferor Company 1 to give effect to the provisions of this Scheme.

17. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the business of Transferor Company 1 as above and the continuance of proceedings by or against Transferor Company 1 shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that Transferee Company accept and adopt all acts, deeds and things done and executed by Transferor Company 1 in respect thereto as done and executed on their behalf.

18. DISSOLUTION OF TRANSFEROR COMPANY 1

On the Scheme becoming effective, with effect from the Effective Date, Transferor Company 1 shall without any further act, instrument or deed, stand dissolved without being wound up. On and from the Effective Date, the name of Transferor Company 1 shall be struck off from the records of the Registrar of Companies and records relating to Transferor Company 1 shall be transferred and merged with the records of Transferee Company.

PART IV – AMALGAMATION OF TRANSFEROR COMPANY 2 WITH TRANSFEREE COMPANY

19. TRANSFER AND VESTING

Upon the Scheme becoming effective, with effect from the Appointed Date (after giving effect to Part III of this Scheme), all the assets and liabilities of the Transferor Company 2 shall, in accordance with Sections 230 to 232 of the Act stand transferred to and vested in or be deemed to be transferred to and vested in Transferee Company as a going concern, by way of amalgamation, without any further act, instrument or deed, so as to become, as from the Appointed Date, the assets and liabilities of Transferee Company in the following manner:

- 19.1.1. All the moveable assets of Transferor Company 2 capable of being transferred and vested by delivery, including plant and machinery, or which are incorporeal property shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to Transferee Company along with such other documents as may be necessary or by manual/constructive delivery and/or by delivery of possession and/or by endorsement and delivery, as appropriate in relation to the property/asset, towards the end and intent that the property therein passes to Transferee Company on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of Transferee Company accordingly. The investments of Transferor Company 2 held in dematerialized form will be transferred to Transferee Company by issuing appropriate delivery instructions to the depository participant with whom Transferor Company 2 has an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Transferor Company 2 and Transferee Company, being a date after the sanction of the Scheme by the NCLT.
- 19.1.2. The moveable assets of Transferor Company 2, other than those specified in the Clause above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested in as the property of Transferee Company. Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of Transferee Company to recover or realise the same is in substitution of the right of Transferor Company 2 and that appropriate entry should be passed in its respective books to record the aforesaid charges. Any document of title pertaining to the assets of Transferor Company 2 shall also be deemed to have been mutated and recorded as titles of Transferee Company to the same extent and manner as originally held by Transferor Company 2 to the end and intent that all the ownership, right, title and interest so vesting in Transferee Company will be such as if Transferee Company was originally Transferor Company 2. Transferee Company shall, be entitled to the delivery and possession of all documents of title including all related documents of all such movable assets of Transferor Company 2.
- 19.1.3. Without prejudice to any of the Clauses above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties of Transferor Company 2, including land together with buildings and structure and rights thereon, whether freehold or leasehold, and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested in Transferee Company, as of the Appointed Date. The mutation of the title to the immoveable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of Transferee Company without requirement of execution of any further documents for registering the name of Transferee Company as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, etc. may rely on the Scheme along with the copy of the Order passed by the NCLT sanctioning the Scheme, to make necessary mutation entries and changes in the land or revenue records to reflect the name of Transferee Company as owner of the immovable properties. For the purposes of giving effect to the Scheme, if required, the Transferor Company 2 and Transferee Company may execute separate conveyance deeds to effectuate the transfer of immovable property located in different states. For the purpose of determination of the stamp duty pursuant to the said transfer, the reckoner value of the immovable property would be deemed to be the consideration.
- 19.1.4. All intellectual property including registrations, licenses, trademarks, logos, service marks, copyrights, domain names, trade names, and applications relating thereto, goodwill, know how, trade secrets or any other property of like nature, of Transferor Company 2, if any, shall stand vested in Transferee Company without any further act, instrument or deed.

- 19.1.5. The transfer and vesting of the business of Transferor Company 2, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof.

With effect from the Appointed Date and upon the Scheme becoming effective, Transferee Company undertakes to meet, discharge and satisfy the loans, borrowings, debts and financial assistance pertaining to Transferor Company 2.

Provided also that the transfer and vesting of loans/liabilities shall continue to have encumbrances confined only to the relevant assets of the Transferor Company 2 or part thereof and no such encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of or to be availed of by it, and the encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.

Provided that all loans (raised and utilized), liabilities, duties and taxes and obligations of the Transferor Company 2 incurred or undertaken on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company and shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company and the same shall be assumed by Transferee Company and Transferee Company shall meet, discharge and satisfy the same.

- 19.1.6. Without prejudice to the generality of the forgoing, it is clarified that upon the coming into effect of this Scheme, all permits (including mining leases), authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested, contingent or impending), of every kind and description of whatsoever nature in relation to Transferor Company 2, to which Transferor Company 2 is a party to or to the benefit of which Transferor Company 2 may be eligible and which are subsisting or having effect immediately before the Appointed Date shall subject to Applicable Law, stand transferred to and vested in or shall be deemed to be transferred to and vested in Transferee Company as if the same were originally given or issued to or executed in favour of Transferee Company, and the rights and benefits under the same shall be available to Transferee Company. Further, Transferor Company 2 and / or Transferee Company shall execute such further deeds or documents as may be required to give effect to this Clause.
- 19.1.7. All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of Transferor Company 2 after the Effective Date shall be accepted by the banker(s) of Transferee Company and credited to the account of Transferee Company, if presented by Transferee Company or received through electronic transfers. Similarly, the banker(s) of Transferee Company shall honour all cheques/electronic fund transfer instructions issued by Transferor Company 2 for payment after the Effective Date.
- 19.1.8. All the liabilities, whether or not provided in the books of Transferor Company 2 shall, without any further act, instrument or deed, be transferred to and vested into as the liabilities of the Transferee Company, to the extent they are outstanding on the Appointed Date and shall become the liabilities of Transferee Company on the same terms and conditions as were applicable to Transferor Company 2, and Transferee Company alone shall meet, discharge and satisfy the same.
- 19.1.9. All liabilities of Transferor Company 2, including those which are incurred or which arise or accrue on or after the Appointed Date but prior to the Effective Date, shall, without any further act, instrument or deed, be transferred to and vested into as the liabilities of Transferee Company and the same shall be assumed by Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to Transferor Company 2 and Transferee Company alone shall meet, discharge and satisfy the same.
- 19.1.10. All inter-se liabilities, between Transferor Company 2 and Transferee Company, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Transferee Company.
- 19.1.11. Any liabilities of Transferor Company 2 as on the Appointed Date that are discharged by Transferor Company 2 on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of Transferee Company.
- 19.1.12. All loans raised and utilised, liabilities, duties and taxes and obligations incurred or undertaken by or on behalf of Transferor Company 2 on or after the Appointed Date but prior to the Effective Date shall be deemed to have been

raised, used, incurred or undertaken for and on behalf of Transferee Company and shall, without any further act, instrument or deed, be transferred to and vested into the Transferee Company and the same shall be assumed by Transferee Company and to the extent they are outstanding on the Effective Date, Transferee Company shall meet, discharge and satisfy the same.

- 19.1.13. 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, duties and obligations have arisen in order to give effect to the provisions of this clause.
- 19.1.14. Taxes, if any, paid or payable by the Transferor Company 2 after the Appointed Date shall be treated as paid or payable by the Transferee Company and the Transferee Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company 2, including any taxes paid and taxes deducted at source and deposited by the Transferor Company 2 on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax Act. Any TDS deducted by, or on behalf of, the Transferor Company 2 on inter se transactions will be treated as tax deposited by the Transferee Company.
- 19.1.15. If the Transferor Company 2 is entitled to any unutilized credits (including balances or advances), benefits, subsidies, grants, special status and other benefits or privileges of whatsoever nature under the incentive schemes and policies including tax holiday or concessions under any Tax Laws or Applicable Laws, the same shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to Transferee Company as if Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions and the Transferee Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be automatically without any specific approval or permission.
- 19.1.16. All benefits of any and all corporate approvals as may have already been taken by Transferor Company 2, whether being in the nature of compliances or otherwise, shall stand vested in Transferee Company and the said corporate approvals and compliances shall, be deemed to have been taken/complied with by Transferee Company.
- 19.1.17. Upon Part IV of the Scheme becoming effective, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 19.1.18. It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company 2, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company 2, to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 19.1.19. The provisions of this Scheme as they relate to the amalgamation of Transferor Company 2, have been drawn up in compliance with the conditions relating to 'Amalgamation' as specified under section 2(1B) of the Income Tax Act, effective as on the date of the Scheme being approved by the Board of Transferor Company 2 and Transferee Company. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will however not affect the other parts of the Scheme.

20. CONSIDERATION

- 20.1. As on the date of this Scheme being approved by the Board of Transferor Company 2, 41.81% of the equity share capital of Transferor Company 2 is held by Transferor Company 1. The balance 58.19% of the equity share capital of Transferor Company 2 is held by a subsidiary of Transferor Company 1.
- 20.2. Upon coming into effect of Part III of this Scheme, Transferor Company 1 will be merged with Transferee Company. As a result, the Transferee Company will directly hold 41.81% of the equity share capital of Transferor Company 2. Therefore, as Transferee Company itself is the shareholder, to that extent no shares will be required to be issued.

- 20.3. Upon coming into effect of Part III of this Scheme, the other shareholder of Transferor Company 2 will become a subsidiary of Transferee Company. Section 19 of the Act prohibits issue of shares by a company to its subsidiary. Therefore, no shares are being issued to the other shareholder pursuant to this Scheme.

21. ACCOUNTING TREATMENT

21.1. IN THE BOOKS OF TRANSFEEE COMPANY

Transferee Company shall, upon the Scheme becoming effective and with effect from the Appointed Date, account for Part IV of the Scheme as per IND AS 103 as under:

- 21.1.1. Transferee Company shall record all the identifiable assets and liabilities of Transferor Company 2 at their respective fair values as may be determined by the Board of Transferee Company.
- 21.1.2. To the extent that there are inter-company loans, advances, investments, deposits or other obligations as between Transferee Company and Transferor Company 2, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the Appointed Date.
- 21.1.3. The Transferee Company shall record in its books of account, all transactions of the Transferor Company 2 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 21.1.4. The Board may adopt any other accounting treatment which is in accordance with Accounting Standards notified under the Act.

22. AGGREGATION OF AUTHORISED SHARE CAPITAL

- 22.1 Upon the Scheme becoming effective and with effect from the Appointed date, the authorised share capital of Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of Transferor Company 2 as on the Effective Date.

- 22.2 The Memorandum of Association of Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended and no future resolutions under section 13, 61 and any other applicable provisions of the Companies Act, 2013 would be required to be separately passed. The stamp duties and fees paid on the authorised capital of Transferor Company 2 shall be utilized and applied to the increased authorised share capital of Transferee Company and shall be deemed to have been so paid by Transferee Company for increase in the authorised share capital on such combined authorised share capital and accordingly no payment of any extra stamp duty and/or fee shall be payable by Transferee Company for increase in the authorised share capital to that extent. If any extra stamp duty and/or fee is payable by the Transferee Company, Transferee Company shall pay the same as and when required The Memorandum of Association and Articles of Association of Transferee Company shall be amended as may be required to give effect to this Clause after taking into consideration clause 9.2 of the Scheme. Accordingly, the revised Memorandum of Association of Transferee Company shall read as under:

“V. The authorized share capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty crores only) divided into 5,00,00,000 (Five crore only) Equity shares of Rs. 10/- each with power of the Board of Directors of the Company to increase or reduce such capital, from time to time, in accordance with the Company regulations and the legislative provisions for the time being in force in this behalf and with power to sub-divide the shares in the capital for the time being”

- 22.3 It is clarified that the approval of the members of Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum and Articles of Association of Transferee Company as may be required under the Act.

23. EMPLOYEES

- 23.1 On the Scheme becoming effective all staff, workmen and employees of Transferor Company 2 who are in service as on the Effective Date shall become staff, workmen and employees of Transferee Company by operation of law, on same terms and conditions, which shall be no less favorable than those on which they are engaged by Transferor Company 2, without any break in their service and based on continuity of service. Transferee Company agrees that the services of all such employees with Transferor Company 2, up to the Effective Date shall be considered for purposes of all retirement benefits to which they may be eligible as on the Effective Date.

- 23.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employee of the Transferor Company 2 shall, with the approval of the concerned authorities, become Funds of Transferee Company, or shall be transferred to or merged with other similar funds of Transferee Company for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of respective Trust Deeds or other agreements, if any, to the end and intent that all rights, duties, powers and obligations of Transferor Company 2 in relation to such Funds shall become those of Transferee Company and Transferee Company shall stand substituted for Transferor Company 2 for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds. Further, the employees of Transferor Company 2 entitled to the benefit of superannuation and gratuity fund from Transferor Company 2 as on Effective Date, shall continue to be entitled to the same from Transferee Company. It is the intent that all the rights, duties, powers and obligations of Transferor Company 2 in relation to such fund or funds shall become those of Transferee Company without need of any fresh approval from any Governmental Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees by Transferee Company and the services of all such employees of Transferor Company 2 for such purpose shall be treated as having been continuous.
- 23.3 Services of all employees of Transferor Company 2, shall be taken into account by Transferee Company for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in Transferor Company 2. Transferee Company undertakes to pay the same, as and when payable under Applicable Laws.
- 23.4 Transferor Company 2 will transfer/handover to Transferee Company, copies of employment information of all such transferred employees of Transferor Company 2, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 23.5 Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by Transferor Company 2 with its employees, which are subsisting or having effect immediately prior to Appointed Date and continuing from Appointed Date till the Effective Date.

24. ENCUMBRANCES

- 24.1 All encumbrances existing prior to the Effective Date, if any, which secure or relate to the liabilities of Transferor Company 2, shall, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It is clarified that the aforesaid encumbrances shall not be extended to any assets of the Transferor Company 2 which were earlier not encumbered or the existing assets of Transferee Company. 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.
- 24.2 Any reference in any security documents or arrangement to which Transferor Company 2 is a party and which pertain to Transferor Company 2, shall be construed as a reference to Transferee Company.
- 24.3 Without prejudice to the foregoing provisions, Transferee Company may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge with the Registrar of Companies to give formal effect to the above provisions, as required.
- 24.4 The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.
- 24.5 Transferee Company shall, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which Transferor Company 2 have been a party, including any filings with the regulatory authorities, and do all such acts or things as may be necessary for transfer/vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection

certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company 2 including their respective business and operations, into Transferee Company in order to give formal effect to the above provisions. Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of Transferor Company 2 and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of Transferor Company 2 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

25. LEGAL PROCEEDINGS

- 25.1 Upon the Scheme becoming effective, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, by or against Transferor Company 2 in any court or before any authority, judicial, quasi-judicial or administrative, any adjudicating authority pending and/or arising on or after the Appointed Date, shall be continued and enforced by or against Transferee Company in the manner and to the same extent as would have been continued and enforced by or against Transferor Company 2. Transferor Company 2 shall not be liable to pay any amounts arising out of such proceedings including interest, penalties, damages, costs etc. and the same shall be paid only by Transferee Company.
- 25.2 Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Company 2 referred to in sub clause 25.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Transferee Company to the extent legally permissible after the Scheme being effective.

26 BORROWING LIMITS AND CORPORATE APPROVALS

- 26.1 With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without any further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Company 2, such limits being incremental to the existing limits of the Transferee Company.
- 26.2 Any corporate approvals obtained by the Transferor Company 2, whether for the purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

27. TRANSACTIONS UPTO THE EFFECTIVE DATE

Upon filing the Scheme with the Hon'ble NCLT and up to and including the Effective Date:

- 27.1 Transferor Company 2 shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the businesses and undertakings of Transferor Company 2 for and on account of and in trust for Transferee Company. Transferor Company 2 hereby undertakes to hold their said assets with utmost prudence until the Effective Date.
- 27.2 Transferor Company 2 shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Transferee Company undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party; or alienate, charge, mortgage, encumber or otherwise deal with or dispose of its assets or any part thereof.
- 27.3 With effect from the Appointed Date all the profits or income accruing or arising to Transferor Company 2 or expenditure or losses arising or incurred or suffered by Transferor Company 2 shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Transferee Company. All taxes (including Income Tax, Service Tax, Value Added Tax, GST etc.), paid or payable whether by way of deduction at source, advance tax or otherwise, by Transferor Company 2, in respect of the profits or activities or operations of business after the Appointed Date, the same shall be deemed to be paid or payable on behalf of Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 27.4 Transferor Company 2 shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or with the prior written consent of Transferee Company or pursuant to any pre-existing obligation undertaken by Transferor Company 2, as the case may be, prior to the Effective Date.

27.5 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which Transferee Company may require pursuant to this Scheme.

28. CONTRACTS, DEEDS, ETC.

28.1 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 (including but not limited to all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements to which Transferor Company 2 are a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Transferee Company, as the case may be, and may be enforced by or against Transferee Company as fully and effectually as if, instead of Transferor Company 2, Transferee Company had been a party thereto.

28.2 Transferee 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 Transferor Company 2 will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Transferor Company 2 and to implement or carry out all formalities required on the part of Transferor Company 2 to give effect to the provisions of this Scheme.

29. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the business of Transferor Company 2 as above and the continuance of proceedings by or against Transferor Company 2 shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that Transferee Company accept and adopt all acts, deeds and things done and executed by Transferor Company 2 in respect thereto as done and executed on their behalf.

30. DISSOLUTION OF TRANSFEROR COMPANY 2

On the Scheme becoming effective, with effect from the Effective Date, Transferor Company 2 shall without any further act, instrument or deed, stand dissolved without being wound up. On and from the Effective Date, the name of Transferor Company 2 shall be struck off from the records of the Registrar of Companies and records relating to Transferor Company 2 shall be transferred and merged with the records of Transferee Company.

PART V – GENERAL TERMS AND CONDITIONS

31. DIVIDENDS

31.1 During the pendency of the Scheme, the Transferor Companies and Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

31.2 The shareholders of the Transferor Companies and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

31.3 On and from the Appointed Date, the profits of the Transferor Company 1 and Transferor Company 2 for the period beginning from the Appointed Date shall belong to and be deemed to be the profits of Transferee Company and will be available to Transferee Company for being disposed of in any manner as it thinks fit.

31.4 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Boards of Directors, subject to such approval of the members, as may be required.

32. APPLICATION TO NCLT

32.1 Transferor Companies and Transferee Company shall with all reasonable dispatch make all necessary applications to the Hon'ble NCLT for seeking approval to the Scheme under sections 230 to 232 of the Act for an order or orders thereof for carrying the Scheme into effect and for dissolution of Transferor Company 1 and Transferor Company 2 without winding up.

32.2 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to relevant Governmental Authority, if required, under Applicable Law(s) for such consents and approvals which Transferee Company may require to carry on the business of Transferor Company 1 and Transferor Company 2 without any interruption.

33 MODIFICATION OR AMENDMENTS TO THE SCHEME

Transferor Companies and Transferee Company (through their respective Boards), in their full and absolute discretion, jointly and as mutually agreed in writing may:

- 33.1 Assent to any alteration(s) or modification(s) to this Scheme which the Hon'ble NCLT and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme; or
- 33.2 Give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law); or
- 33.3 Modify or vary the Scheme or any part thereof, prior to the Effective Date, in any manner and at any time, subject to such modification being compliant with applicable laws; or
- 33.4 It is clarified that the approval of the shareholders and creditors of the Transferor Companies and the Transferee Company to the Scheme shall include any subsequent modifications to the Scheme which may be undertaken by the Boards of Transferor Companies and Transferee Company under this clause;
- 33.5 In case either or all of Part III and Part IV of the Scheme, are found to be unworkable for any reasons whatsoever, delete Part III and/or Part IV of the Scheme, as the case may be, prior to the Effective Date and make such consequential changes in the Scheme in such manner, as is considered appropriate or necessary.

34. WITHDRAWAL OF THE SCHEME

The Transferor Companies and the Transferee Company, acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person or otherwise is unacceptable to any of them, in which case the Board of Directors of remaining companies shall decide consequent actions as considered appropriate by them.

35. OPERATIONAL SEQUENCE OF THE SCHEME

- 35.1. It is clarified that upon the sanction of the Scheme and it becoming effective, the different parts of the Scheme shall be operative in the following sequence:
 - (a) Amalgamation of the Transferor Company 1 with the Transferee Company, in terms of Part III of this Scheme;
 - (b) Amalgamation of Transferor Company 2 with the Transferee Company in terms of Part IV of this Scheme.
- 35.2 It is further clarified that the effectiveness of Part IV of the Scheme shall be independent of the listing of Transferee Company, pursuant to Part III of this Scheme.

36. CONDITIONALITY OF THE SCHEME

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

- 36.1 Effective Date of Scheme 1 having occurred;
- 36.2 The Scheme being sanctioned by the jurisdictional Hon'ble NCLT or any other authority under Sections 230-232 of the Act;
- 36.3 Approval of any Governmental Authority, as may be required, for transfer of mining lease and/or prospective mining lease to Transferee Company and/or Transferor Company unless the same has no significant financial or other material adverse impact in view of the Board on Transferee Company;
- 36.4 Requisite approval of the public shareholders of Transferor Company 1 to the Scheme shall be obtained by way of e-voting in terms of para I(A)(9)(a) of Annexure I of SEBI Circular dated March 10, 2017; provided that the said resolution shall be acted upon only if the votes cast by the public shareholders of Transferor Company 1 in favor of the Scheme are more than the votes cast by the public shareholders of Transferor Company 1 against the Scheme;
- 36.5 Certified copy of the Order of the jurisdictional Hon'ble NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Companies and Transferee Company; and

36.6 Notwithstanding anything contained in sub clause 36.1 to sub clause 36.5 above, the Board of the Transferor Companies and Transferee Company, in their discretion, may decide to waive any of the conditions mentioned above, to the extent legally permissible.

37. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or the Scheme not being sanctioned by the NCLT or such other competent authority and/or the Order not being passed as aforesaid before June 30, 2022 or within such further period or periods as may be agreed upon between the Transferor Companies and Transferee Company by their respective Board of Directors or any committee thereof (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

38. COSTS, CHARGES & EXPENSES

With regard to Part III

38.1 Up to the Appointed Date, each company (i.e the Transferor Company 1 and Transferee Company) shall bear its own past and present costs, charges, taxes including duties, levies and all other expenses incurred or to be incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto.

38.2 Thereafter, all future costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly agreed otherwise) arising out of or incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto, shall be borne by the Transferee Company.

With regard to Part IV

38.3 Up to the Appointed Date, each company (i.e the Transferor Company 2 and Transferee Company) shall bear its own past and present costs, charges, taxes including duties, levies and all other expenses incurred or to be incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto.

Thereafter, all future costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly agreed otherwise) arising out of or incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto, shall be borne by the Transferee Company.