

**COMPOSITE SCHEME OF AMALGAMATION**

**BETWEEN**

**JINDAL QUALITY TUBULAR LIMITED**

**("Transferor Company 1")**

**AND**

**JINDAL TUBULAR (INDIA) LIMITED**

**("Transferor Company 2")**

**AND**

**JINDAL FITTINGS LIMITED**

**("Transferor Company 3")**

**WITH**

**JINDAL SAW LIMITED**

**("Transferee Company")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS  
OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (COMPROMISES, ARRANGEMENTS  
AND AMALGAMATIONS) RULES, 2016**

## **INTRODUCTION**

### **PREAMBLE**

#### **1. OVERVIEW OF THE SCHEME**

1.1 This Composite Scheme of Amalgamation (hereinafter referred to as “Scheme”) is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (“the Act”) and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 including any statutory modification(s), amendment(s), or re-enactment(s) thereof for the time being in force and in compliance with the provisions of the Section 2(1B) of the Income-Tax Act, 1961, for:

- amalgamation of Transferor Company 1, Transferor Company 2 and Transferor Company 3 with with Transferee Company.
- the consequent issuance of 8% Redeemable Preference Shares by **Transferee Company** to the shareholders of Transferor Company 1& Transferor Company 3 (collectively referred to as “**Transferor Companies**”) in the manner set out in this Scheme.

The board of directors of Transferor Companies and Transferee Company have resolved that the amalgamation of Transferor Companies with the Transferee Company would be in the interests of the shareholders, creditors and employees of Transferor Companies and Transferee Company (together referred to as the “**Restructured Companies**”).

1.2 This Scheme will result in consolidation of business of the Restructured Companies in one entity and would strengthen the position of Transferee Company, by enabling it to harness and optimize the synergies of the Transferor Companies. Accordingly, it would be in the best interests of the Restructured Companies and their respective shareholders. The Scheme will result in operational efficiencies due to optimal utilization of resources of the companies and reduction in administrative cost.

1.3 This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

#### **2. BRIEF OVERVIEW OF THE RESTRUCTURED COMPANIES**

##### **2.1 TRANSFEROR COMPANIES:**

###### **1. Transferor Company 1**

1. Jindal Quality Tubular Limited (Transferor Company 1) is an unlisted public limited company incorporated under the Companies Act, 2013 and has its registered office at A-1, UPSIDC Industrial Area, Nand Gaon, Kosi Kalan, Mathura -281403, Uttar Pradesh India.
2. It was incorporated on September 15, 2015. The corporate Identification number is U28910UP2015PLC073321.
3. The Transferor Company 1 is engaged in the business of manufacturing and supplier of Stainless-Steel pipes and tubes which have application in Oil & Gas industry, Pharma industry, Power and Nuclear industry, Chemical & Fertilizer industry, Automobiles and Food & Beverages industry. The Transferor Company 1 is a subsidiary of the Transferee Company.

## **2. Transferor Company 2**

1. Jindal Tubular (India) Limited (Transferor Company 2) is an unlisted public limited company incorporated under the Companies Act, 2013 and has its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura - 281403, Uttar Pradesh, India.
2. It was incorporated on February 05, 2015. The corporate Identification number is U28910UP2015PLC068768.
3. The Transferor Company 2 is engaged in operating a pipe manufacturing and coating facility and is a wholly owned subsidiary of the Transferee Company.

## **3. Transferor Company 3**

1. Jindal Fittings Limited (Transferor Company 3) is an unlisted public limited company incorporated under the Companies Act, 1956. The Transferor Company 3 was incorporated with RoC, Delhi and Haryana. However, registered office Transferor Company 3 was shifted from National Territory of Delhi to State of Uttar Pradesh and presently, has its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura - 281403, Uttar Pradesh, India.
2. It was incorporated on May 12, 2011. The corporate Identification number is U27100UP2011PLC155473.
3. The Transferor Company 3 is engaged in the business of manufacturing and supplying of Ductile Iron Fittings and is an associate company of the Transferee Company.

### **2.2 TRANSFEE COMPANY:**

1. Jindal Saw Limited (Transferee Company) is a public listed company incorporated under the Companies Act, 1956 and has its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura – 281403, Uttar Pradesh, India.
2. It was incorporated on October 31, 1984 with the Registrar of Companies, Kanpur, Uttar Pradesh. The corporate Identification number is L27104UP1984PLC023979
3. Transferee Company is primarily engaged in the business of manufacturing various types of pipes including large diameter Submerged Arc Welded (SAW) pipes, Ductile Iron pipes, stainless steel, seamless pipes, pellets and mining among others.
4. Transferee Company holds investments in the Transferor Companies as mentioned below:
  - a) 64,10,301 equity shares of Rs. 10/- each (constituting 67% of total equity shares capital) and 31,50,000 preference shares of Rs. 100/- each (constituting 100% of total Preference share capital) in Transferor Company 1;
  - b) 70,50,000 equity shares of Rs. 10/- (constituting 100% of total equity shares capital) in Transferor Company 2; and
  - c) 178,64,804 equity shares of Rs. 10/- (constituting 45.95% of total equity shares) and 72,00,000 preference shares of Rs. 100/- each (constituting 100% of total preference shares capital) in Transferor Company 3.

## **3. RATIONALE OF THIS SCHEME**

The Transferee Company is engaged in the business of SAW Pipes (Submerged Arc Welded Pipes) and spiral pipes for the energy transportation sector; carbon, alloy and seamless pipes and tubes for industrial applications; and Pellets, Mining & Ductile Iron (DI) pipes & fittings for water and wastewater transportation.

The Transferor Company 1 is engaged in the business of manufacturing and supplier of Stainless-Steel pipes and tubes which have application in Oil & Gas industry, Pharma industry, Power and Nuclear industry, Chemical & Fertilizer industry, Automobiles and Food & Beverages industry. The Transferor Company 1 is a subsidiary of the Transferee Company.

The Transferor Company 2 is engaged in operating a pipe manufacturing and coating facility and is a wholly owned subsidiary of the Transferee Company.

The Transferor Company 3 is engaged in the business of manufacturing and supplying of Ductile Iron Fittings and is an associated company of the Transferee Company.

The Transferee Company has also been actively involved in the business and operations of the Transferor Company 1 and 3 by virtue of an Operations, Maintenance and Management Agreement (OMM Agreement) entered with them. Under the OMM Agreement, the manufacturing facilities and the employees of these entities are wholly managed by the Transferee Company.

As stated above, the Transferee Company and the Transferor Companies are engaged in similar and allied business and there exists business and operational synergies in the amalgamation of the Transferor Companies with the Transferee Company. Thus, the Transferor Companies are desirous of consolidating their business under the Transferee Company which would enable the business to scale up and pursue growth opportunities in a more focused manner under the guidance and beacon of the same management.

The business of the Transferor Companies would also get access to the competitive advantage and the combined entity would be better equipped to realize the benefit of greater synergy between their businesses related to aspects like availability of raw material, distribution and marketing network, pooling of financial resources as well as managerial, technical and marketing resources.

Needless to mention, greater efficiency in cash & debt management and unfettered access to cash flow generation from combined business will maximize value to shareholders and other stakeholders.

The Scheme will also result in:

1. Consolidation of the Transferor Companies with the Transferee Company would result in simplification of the holding structure;
2. Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs due to operation of multiple entities;
3. Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities;

4. Consolidation of businesses under the Transferee Company, which would result in synergies, pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders;
5. Elimination of the need for the inter-company transactions between the Transferor Companies and Transferee Company;
6. Sharing of best practices & cross functional learnings; and
7. Creation of value for the stakeholders including the respective shareholders, customers, lenders and employees.

In view of the above advantages and benefits, the Board of Directors of each of the Transferor Companies and the Transferee Company have formulated this Scheme pursuant to the provisions of Sections 230-232 and other applicable provisions of the Act.

Further, the Board of Directors of each of the Transferor Companies and the Transferee Company are of the opinion that the Scheme would be beneficial to and in the best interest of the shareholders, creditors, employees, and other stakeholders of each of the Transferor Companies and Transferee Company.

#### **4. PARTS OF THE SCHEME**

**This Scheme is divided into the following Parts:**

- Part I: Deals with the general and specific definitions pertaining to the Scheme;
- Part II: Deals with Share Capital and Objects of the Restructured Companies;
- Part III: Deals with the Amalgamation of Transferor Companies into and with the Transferee Company in accordance with Chapter XV of the Companies Act 2013; and
- Part IV: Deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of this Scheme.

The Scheme, in no way, is a Scheme of compromise or arrangement with the creditors of any of the companies and the Scheme is not affecting the rights of the creditors as all the creditors will be paid / satisfied in full, as and when their respective amounts fall due in the usual course of business, by the Transferee Company.

The Scheme is not a Scheme of Corporate Debt Restructuring as envisaged under Section 230(2)(c) of the Act.

## **PART I – General and Specific Definitions**

### **1. DEFINITIONS**

1. In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings as set out herein below:

**“Act” or “the Act”** means the Companies Act, 2013 and the rules, regulations, notifications made thereunder including any statutory modifications, re-enactments or amendments thereof and also mean and refer to corresponding and enforceable Sections of the Companies Act, 1956 and rules, regulations made thereunder, to the extent applicable;

**“Appointed Date”** means the opening of business hours as on 1<sup>st</sup> April, 2022 or any other date as may be decided by the respective boards of directors of Transferee Company and Transferor Companies, being the date with effect from which Parts III of this Scheme shall be deemed to be effective;

**“Board of Directors”** in relation to the Restructured Companies means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorized by the board of directors or by such committee of directors;

**“Competent Authority”** means the National Company Law Tribunal constituted in accordance with the provisions of the Act and authorised in accordance with the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under the provisions of the Act;

**“Effective Date”** means the last of the dates on which the conditions set out in Clause 10.1 of Part IV of the Scheme are satisfied or waived in accordance with this Scheme. Any references in this Scheme to “upon this Scheme becoming effective”, “Scheme becomes effective” or “effectiveness of this Scheme” means and refers to the Effective Date with effect from the Appointed date

**“LODR Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and includes all the amendments or statutory modifications thereto or re-enactments thereof;

**“Record Date”** means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the shareholders of the Transferor Companies whose equity shares shall be cancelled in terms of this Scheme and such shareholders who shall be entitled to receive consideration from the Transferee Company in terms Clause 3 of Part III of the Scheme;

**“Registrar of Companies” or “RoC”** means the Registrar of Companies, Kanpur Uttar Pradesh;

**“Restructured Companies”** shall have the meaning ascribed to such term in Clause 1.1 of Part I of the Scheme;

**“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation pursuant to Chapter XV and other relevant provisions of the Act; with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the Competent Authority and other relevant regulatory authorities, as may be required under the Act and under all other applicable laws;

**“SEBI”** means the Securities and Exchange Board of India;

**“SEBI Circulars”** means circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 (as amended) on Schemes of Arrangement by Listed Entities and Relaxation under sub rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

**“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited collectively;

**“Transferee Company”** or **“JSAW”** means Jindal Saw Limited, a company incorporated under the Companies Act, 1956 and having its registered office at A-1, UPSIDC Industrial Area, Nand gaon Road, Kosi Kalan, Mathura – 281403, Uttar Pradesh

**“Transferor Company 1”** or **“JQTL”** means Jindal Quality Tubular Limited, a company incorporated under the Companies Act, 2013 and having its registered office A-1, UPSIDC Industrial Area, Nand Gaon, Kosi Kalan, Mathura -281403, Uttar Pradesh, India.

**“Transferor Company 2”** or **“JTIL”** means Jindal Tubular (India) Limited, a company incorporated under the Companies Act, 2013 and having its registered office at A-1, UPSIDC Industrial Area, Nand gaon Road, Kosi Kalan, Mathura - 281403, Uttar Pradesh, India.

**“Transferor Company 3”** or **“JFL”** means Jindal Fittings Limited, a company incorporated under the Indian Companies Act, 1956 and presently having its registered office at A-1, UPSIDC Industrial Area, Nand gaon Road, Kosi Kalan, Mathura - 281403, Uttar Pradesh, India.

**“Transferor Companies”** means collective reference to “Transferor Company 1”, “Transferor Company 2” and “Transferor Company 3”, and notwithstanding anything to the contrary in this Scheme, means and includes:

1. any and all of their assets, movable or immovable, whether present or future, whether tangible or intangible, all rights, title, interests, covenants, undertakings, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, plant, machinery, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
2. any and all of their investments (including shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities), loans and advances, including dividends declared or interest accrued thereon;
3. any and all of their licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, trade names, trademarks, service marks, copyrights, domain names, applications for trade names, copyrights, sales tax credits, income-tax credits, GST credit, privileges and benefits of all contracts, agreements and all other rights including lease rights, powers and facilities of every kind and description whatsoever;
4. any and all of their debts, borrowings and liabilities, present or future, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known

or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to Transferor Companies;

5. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which Transferor Companies are a party, exclusively relating to the business, activities and operations carried on by Transferor Companies;
6. any and all of their permanent employees, who are on the payrolls, including those employed at their offices and branches, employees/personnel engaged on contract basis and contract laborer's and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by Transferor Companies in terms of their licenses, at their respective offices, branches or otherwise, and any other employees/personnel and contract laborer's and interns/trainees hired by Transferor Companies after the date hereof who are primarily engaged in or in relation to the business, activities and operations carried on by Transferor Companies;
7. any and all of the advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, as may be lying with them; and
8. all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by Transferor Companies in the business, activities and operations carried on by Transferor Companies.

## **2. INTERPRETATION**

2.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-Tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Competent Authority in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of the Competent Authority under the Act and/or rules made thereunder.

2.2 In this Scheme, unless the context otherwise requires:

1. references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
2. the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
3. references to one gender includes all genders; and
4. words in the singular shall include the plural and vice versa.
5. Percentages have been rounded off up to two decimal places.



## PART II – Share Capital and Objects of the Restructured Companies

### CAPITAL STRUCTURE

#### 1. SHARE CAPITAL OF TRANSFEROR COMPANIES

1.1 The share capital of Transferor Company 1 as at February 28, 2022 is as under:

Particulars	Amount in Rupees
<b>Authorized Share Capital</b>	
1,00,00,000 Equity Shares of Rupees 10/- each	10,00,00,000
35,00,000 Preference Shares of Rupees 100/- each	35,00,00,000
<b>Total</b>	<b>45,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
95,67,613 Equity Shares of Rupees 10/- each	9,56,76,130
31,50,000 10% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	31,50,00,000
<b>Total</b>	<b>41,06,76,130</b>

The shares of the Transferor Company 1 are not listed on any Stock Exchange.

1.2 The share capital of Transferor Company 2 as at February 28, 2022 is as under:

Particulars	Amount in Rupees
<b>Authorized Share Capital</b>	
80,00,000 Equity Shares of Rupees 10/- each	8,00,00,000
<b>Total</b>	<b>8,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
70,50,000 Equity Shares of Rupees 10/- each	7,05,00,000
<b>Total</b>	<b>7,05,00,000</b>

The shares of the Transferor Company 2 are not listed on any Stock Exchange.

1.3 The share capital of Transferor Company 3 as at February 28, 2022 is as under:

Particulars	Amount in Rupees
<b>Authorized Share Capital</b>	
4,00,00,000 Equity Shares of Rupees 10/- each	40,00,00,000
75,00,000 Preference Shares of Rupees 100/- each	75,00,00,000
<b>Total</b>	<b>115,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
3,88,80,007 Equity Shares of Rupees 10/- each	38,88,00,070
72,00,000 10% Non-Cumulative Redeemable Preference shares of Rs. 100/- each	72,00,00,000
<b>Total</b>	<b>1,10,88,00,070</b>

The shares of the Transferor Company 3 are not listed on any Stock Exchange

## 2. SHARE CAPITAL OF THE TRANSFEREE COMPANY

2.1 The share capital of the Transferee Company as at February 28, 2022 is as under:

Particulars	Amount in Rupees
<b>Authorized Capital</b>	
1,77,50,00,000 Equity Shares of Rupees 2/- each	3,55,00,00,000
1,00,00,000 Preference Shares of Rupees 100/- each	1,00,00,00,000
<b>Total</b>	<b>4,55,00,00,000</b>
<b>Issued and Subscribed</b>	
31,97,61,367 Equity Shares of Rupees 2/- each	63,95,22,734
<b>Paid up</b>	
31,97,57,367 Equity Shares of Rupees 2/- each	63,95,14,734
Add: Forfeited 4000 of Rs 2 each (partly paid of Rs. 1 each)	4,000
<b>Total</b>	<b>63,95,18,734</b>

2.2 The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

## **1. OBJECTS OF TRANSFEROR COMPANIES**

**1.1 The main objects of Transferor Company 1 as provided in its Memorandum of Association are, inter alia, to:**

1. 1 To carry on in India or elsewhere, the business of manufactures, traders, importers, exporters and dealers in all kinds of tubes, pipes, pipes and pipe fittings made of steel, Stainless steel and steel Plates of API standards and all other types of plates, M.S. strip, scalp, copper, cast iron, rubber, polythene, aluminium, stainless steel, iron masters, steel makers, steel converters smelters engineers, tin-plate makers and loan founders, steel rolling mills and other materials and machinery, equipments required for manufacture of such items.
2. To carry on the business or businesses of manufacturers, traders, importers, exporters and dealers in steel plates, steel strips, sheets, ferrous and non-ferrous metal including rollers and re-rollers sheet metal, steel, alloy steels, special and stainless steels, aluminium, brass, copper, shafting, tins, bars, rods, wire rods, all kinds of steel wires, flais, plates, blooms, stabs, squares from scrap, sponge iron, preproduced pillets, billets, ingots, expended metals, hardware materials, hinges, hoops, rounds, circle buckets, fire buckets, bath tubs, mugs, drum, tanks, containers, steel and tubular furniture of all kind, and other materials for strong or conveying water, oil and other materials solid or liquid.
3. To erect, set up, construct, work, manage, maintain, equip, improve or alter, assist in the erection, setting up, construction, working management, maintenance, equipment, improvement, or alteration in India and/or elsewhere, factory or factories for the purpose of carrying on the business of iron-founders, steel founders, metal founders, alloy founders, brass founders, manufactures of machinery, tools, accessories, instruments, implements, spare parts, rolling stock, hardware, pipes, tubes, and such other articles as may seem to the Company capable of being manufactured at such factory or factories and dealers in all articles so manufactured in India and/or elsewhere.

**1.2 The main objects of Transferor Company 2 as provided in its Memorandum of Association are, inter alia, to:**

1. To carry on in India or elsewhere, the business of manufactures of importers, exporters and dealers in all kinds of tubes, pipes, pipes and pipe fittings made of steel Plates of API standards and all other types of plates, M.S. strip, scalp, copper, cast iron, rubber, polythene, aluminium, stainless steel and other materials and machinery, equipments required for manufacture of such items.
2. To carry on the business or businesses of manufacturers, importers, exporters and dealers in steel plates, steel strips, sheets, ferrous and non-ferrous metal including rollers and re-rollers sheet metal, steel, alloy steels, special and stainless steels, aluminium, brass, copper, shafting, bars, rods, wire rods, all kinds of steel wires, flais, plates, blooms, stabs, squares from scrap, sponge iron, preproduced pillets,

billets, ingots, expended metals, hardware materials, hinges, hoops, rounds, circle buckets, fire buckets, bath tubs, mugs, drum, tanks, containers, steel and tubular furniture of all kind, and other materials for strong or conveying water, oil and other materials solid or liquid.

3. To erect, set up, construct, work, manage, maintain, equip, improve or alter, assist in the erection, setting up, construction, working management, maintenance, equipment, improvement, or alteration in India and/or elsewhere, factory or factories for the purpose of carrying on the business of iron-founders, steel founders, metal founders, alloy founders, brass founders, manufactures of machinery, tools, accessories, instruments, implements, spare parts, rolling stock, hardware, pipes, tubes, and such other articles as may seem to the Company capable of being manufactured at such factory or factories and dealers in all articles so manufactured in India and/or elsewhere.

4. To acquire, build, construct, alter, maintain, enlarge, pulldown, remove or replace and to work, manage and control any building, offices, factories, mills shops, machinery engines roads, way tramways, railways, branches or siding, bridge, reservoirs, watercourses, wharve's water reservoirs, sheds, channels, pumping installations and generating installation, electric work and other works and conveniences which may seem calculated directly or indirectly or indirectly to advance the interest of the Company and to join with any person or company in doing any of these things.

5. To buy sell, manufacture, alter, improve, exchange, let out on hire, to take on lease, import, export and deal in all factories, works, plant, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this company is competent to carry on or required by any customers of or persons having dealing with the Company or commonly dealt in by persons engaged in any such business or which may seem capable of being profitably dealt with connection therewith and to manufacture, experiment with, tender marketable and deal in all products of residual and bye-products incidental to or obtained in any of the businesses carried on by the Company.

**1.3 The main objects of Transferor Company 3 as provided in its Memorandum of Association are, inter alia, to:**

1. To carry on in India or elsewhere, the business of manufacturers of importers, exporters and dealers in all kinds fitting made of Ductile Iron conforming to national and international codes and practices and other materials and machinery, equipments required for manufacturer of such items.
2. To carry on the business or the businesses of manufacturers, importers, exporters and dealers in all kinds fitting made of Ductile Iron conforming to national and international codes and practices for strong or conveying water, oil and others materials solid and liquid.

## **2. OBJECTS OF TRANSFEREE COMPANY**

**The main objects of Transferee Company as provided in its Memorandum of Association are, inter alia, to:**

1. To carry on in India or elsewhere, the business of manufacturers of importers, exporters and dealers in all kinds of tubes, pipes, pipes and pipe fittings made of steel Plates of API standards and all other types of plates, M.S. strip, scalp, copper, cast iron, rubber, polythene, aluminium, stainless steel and other materials and machinery, equipments required for manufacture of such items.

2. To carry on the business or businesses of manufacturers, importers, exporters and dealers in steel plates, steel strips, sheets, ferrous and nonferrous metal including rollers and re-rollers sheet metal, steel, alloy steels, special and stainless steels, aluminium, brass, copper, shafting, bars, rods, wire rods, all kinds of steel wires, flais, plates, blooms, stabs, squares from scrap, sponge iron, preproduced pillets, billets, ingots, expended metals, hardware materials, hinges, hoops, rounds, circle buckets, fire buckets, baht tubs, mugs, drums, tanks, containers, steel and tubelar furniture of all kinds, and other materials for strong or conveying water, oil and other materials solid or liquid.

3. To carry on the business to establish, build, maintain and operate barrages, jetties, ports, terminals, canals, water ways for transportation by water, cargo, goods, material, passengers, shipping for the purpose of establishing and providing of necessary infrastructure / support / logistics on its own or otherwise in India or elsewhere at sea-shores, river / canal banks, setting up on its own or otherwise inland water-housing, container depots, dry container depots, warehouses, stay houses and to provide all logistical / technical / interface of inland water transport, operation of multi nodal transport systems/infrastructure support for the operation of business of carriage of all types of goods / material, passengers through water ways, canal, sea, river, ocean, coastal shipping and to construct, develop, improve various water ways, ports, terminals, depots, linking of canals, rivers for the same both in India and abroad and to purchase by import or otherwise, hire, construct, operate, work, ships and vessels by any class including steamships and to establish, operate and maintain lines or regular services of ships and vessels of any class including steamships and generally to carry on the business of shippers, ship owners and to enter into contracts for the carriage of mails, passenger, goods and cargo of any kind by any means and either by the ships and vessels, railways and conveyance of others taken by Company by hire or on lease both in India and abroad.

4. To establish, maintain and operate shipping and all ancillary services and to purchase, take in exchange, charter, hire or otherwise acquire and to own, work, manage and trade with steam, sailing, motor and other ships, tankers, trawlers, drifters, tugs and vessels of all description with all necessary and convenient equipment and to maintain, repair, fit out, refit, improve, insure and alter, sell, exchange or let out on hire or hire purchase or charter or otherwise deal with and dispose of any of the ships, tankers, trawlers, drifters, tugs and vessels or any of their engines, tackle, gear and equipments and to purchase or otherwise acquire any ship or vessel and ship or vessels including steamships now in the course of construction or to be constructed together with all equipments and tools required for the operation, usage and working of the ships or vessels including steamships and to carry on the business in India or elsewhere to provide, commercialize, control, develop, establish, handle, operate, hold, organize, promote, service, supervise, represent and to act as agent, concessionaires, consultants, or deal in all types of cargo activities in all its branches for collecting and delivering either by own arrangements or

through representatives or agents, any documents, goods, articles or things on behalf of customers from one place to another place in any part of the world and to establish maintain and operate transport services in India and outside India as consolidators, break-bulk Cargo Agents for shipping companies, lines and roadways both in India and abroad and to carry on the business of providing all kinds of cargo services such as to collect to deliver parcels, and any other goods and articles in India and abroad and appoint agents, sub-agents in India and abroad to provide the aforesaid services both in India and abroad.

**PART III – Amalgamation of Transferor Companies into and with the Transferee Company in accordance with Chapter XV of the Companies Act 2013**

**1. TRANSFER AND VESTING OF 'TRANSFEROR COMPANY 1', 'TRANSFEROR COMPANY 2', AND 'TRANSFEROR COMPANY 3' (COLLECTIVELY REFERRED TO AS TRANSFEROR COMPANIES INTO AND WITH THE TRANSFEEE COMPANY**

- 1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities and the entire business of Transferor Companies shall stand transferred to and vest in the Transferee Company, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Chapter XV of the Act and all applicable provisions of law if any, in accordance with the provisions contained herein.
- 1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:
1. All assets of Transferor Companies, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature shall stand transferred and/or be deemed to be transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
  2. All other movable properties of Transferor Companies, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by Transferor Companies and all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company.
  3. All immovable properties of Transferor Companies, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of Transferor Companies, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by Transferor Companies and/or the Transferee

Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof.

4. All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) for the purpose of carrying on the business of Transferor Companies, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Companies or to the benefit of which, Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Companies, the Transferee Company had been a party or beneficiary or obligor thereto. If the Transferee Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, Transferor Companies will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Companies (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Companies.
5. Any pending suits/appeals or other proceedings of whatsoever nature relating to Transferor Companies, whether by or against Transferor Companies, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of Transferor Companies or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Companies as if this Scheme had not been implemented.

Any suit, appeal or other proceeding of whatever nature by or against Transferor Companies is pending, shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if this Scheme had not been implemented.

The Transferee Company undertakes to pay all amounts including interest, penalties, damages and costs which Transferor Companies may be called upon to pay or secure in respect of any liability of obligation relating to Transferor Companies from the period



starting on the Appointed Date up to the Effective Date, upon submission of necessary evidence by Transferor Companies to the Transferee Company for making such payments.

6. All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of Transferor Companies shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. 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 liabilities have arisen, in order to give effect to the provisions of this Clause.

Where any of the liabilities and obligations attributed to Transferor Companies on the Appointed Date have been discharged by Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.

7. All the employees of Transferor Companies, who are on their payrolls shall become the employees of the Transferee Company, without any break or interruption in their services, on the same terms and conditions on which they are engaged as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with Transferor Companies shall also be taken into account. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of Transferor Companies, the Transferee Company shall stand substituted for Transferor Companies for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Companies in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of Transferor Companies for such purpose shall be treated as having been continuous.
8. With regard to any provident fund, gratuity fund, superannuation fund or other special fund created or existing for the benefit of such employees of Transferor Companies, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Companies in relation to such schemes or funds shall become those of the Transferee Company. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for Transferor Companies for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by Transferor Companies for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Transferee Company. It is clarified that the services of all employees of Transferor

Companies transferred to the Transferee Company will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.

9. The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) if entered into, with any labour unions/employees by the Transferor Companies. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees, if any, with the Transferor Companies, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
10. All registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to Transferor Companies, if any, shall stand transferred to and vested in the Transferee Company.
11. All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, fringe benefit tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, etc.) payable by or refundable to the Transferor Companies, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Transferor Companies shall pursuant to this Scheme becoming effective, be available to the Transferee Company. The unabsorbed depreciation and business losses of the transferor companies under the provisions of Income Tax Act, 1961 shall be deemed to be the unabsorbed depreciation & business losses of the transferee company as per the provisions of section 72A of the Income Tax Act, 1961.
12. All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to Transferor Companies or to the benefit of which the Transferor Companies may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/ documents with relevant authorities concerned for information and record purposes.
13. Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1)(a), 180, 185, 186, 188 etc.,

of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company.

14. All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Companies shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
15. All bank accounts operated or entitled to be operated by the Transferor Companies shall be deemed to have transferred and shall stand transferred to the Transferee Company and names of Transferor Companies shall be substituted by the name of the Transferee Company in the bank's records.

- 1.3 Transferor Companies and/or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Companies. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

## **2. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

- 2.1 With effect from the Appointed Date and up to and including the Effective Date:
  1. Transferor Companies undertake to carry on and shall be deemed to have carried on the business activities of 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' respectively and stand possessed of the properties and assets of the Transferor Companies, for and on account of and in trust for the Transferee Company;
  2. Transferor Companies shall be deemed to have been carrying on and shall carry on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all their properties and assets pertaining to the business and undertaking of 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' respectively for and on account of and in trust for the Transferee Company. The Transferor Companies hereby undertake to hold the said assets with utmost prudence until the Effective Date;

3. Transferor Companies shall carry on their business and activities with reasonable diligence, business prudence and in the same manner as they had been doing hitherto and shall not, 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 their respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of their properties/assets, except:
  1. when it is expressly provided in this Scheme; or
  2. when it is in the ordinary course of business as carried on by 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' respectively, as on the date of filing of this Scheme in the Competent Authority; or
  3. when written consent of Transferee Company has been obtained in this regard;
4. All the profits or income accruing or arising to the Transferor Companies and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, etc.) or expenditure or losses arising or incurred or suffered by the Transferor Companies pertaining to the business and undertaking of 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' respectively shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company;
5. Transferor Companies shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Companies as the case may be;
6. Except by mutual consent of the Boards of Directors of the Transferor Companies and the Transferee Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Transferor Companies and/or the Transferee Company as on the Appointed Date, or except as contemplated in this Scheme, pending sanction of this Scheme, the Transferor Companies and/or the Transferee Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization or in any other manner, which would have the effect of re-organization of capital of such company(ies);
7. Transferor Companies shall not alter or substantially expand the business except with the written concurrence of the Transferee Company; and
8. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, backward area sales tax remissions, holidays, incentives, concessions and other authorizations of the Transferor Companies shall stand transferred by the order of the Competent Authority, to the Transferee Company, Transferee Company shall file the relevant intimations, for the record of the

statutory authorities who shall take them on file, pursuant to the vesting orders of the Competent Authority.

9. With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the respective businesses of 'Transferor Company 1', 'Transferor Company 2', and 'Transferor Company 3'.
10. For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Act in respect of this Scheme by the Competent Authority, the Transferee Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of Transferor Companies in accordance with the provisions of Chapter XV of the Act. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.
11. Upon this Scheme becoming effective, the Transferee Company, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Transferor Companies with effect from the Appointed Date, in order to give effect to the foregoing provisions.
12. All profits accruing to the Transferor Companies and all taxes thereof or losses arising or incurred by it relating to Transferee Company shall, for all purposes be treated as the profits, taxes or losses as the case may be of the Transferee Company.
13. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in the Transferee Company.

### **3. DISSOLUTION OF TRANSFEROR COMPANIES**

On the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound-up, without any further act or deed.

### **4. PAYMENT OF CONSIDERATION AND ISSUANCE MECHANICS**

1. Upon this Scheme becoming effective, and in consideration for the transfer of and vesting of all the properties, assets and liabilities of the Transferor Companies into the Transferee Company, Transferee Company shall without any further application, act, instrument or deed, issue and allot to the shareholders of the Transferor Companies (except where Transferee Company itself is the shareholder of Transferor Companies) whose name appear in the Register of Members on the Record Date or their respective heirs, executors, administrators or legal representatives or the successors in title as may be recognised by Board of Directors of the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3'

respectively, shares in the share capital of the Transferee Company, on a proportionate basis, which shall be 8% non-cumulative, non-convertible, unlisted, redeemable preference shares of Rs. 100/- each, redeemable at par on or before eight years from the date of allotment (8% cumulative redeemable preference shares) , credited as fully paid-up in lieu of shares held by them in the share capital of the Transferor Companies up to the extent indicated below, in the following ratio:

- a) For every 10,000 (Ten Thousand) equity shares of face value of Rs. 10/- (Rupees Ten only) each held in the 'Transferor Company 1' shall be issued 4055 (Four Thousand Fifty Five) 8% non-cumulative redeemable preference shares of face value of Rs. 100/- (Rupees One Hundred only) each as fully paid-up in the Transferee Company;
  - b) For every 10,000 (Ten Thousand) equity shares of face value of Rs. 10/- (Rupees Ten only) each held in the 'Transferor Company 3' shall be issued 1,018 (One Thousand Eighteen) 8% non-cumulative redeemable preference shares of face value Rs. 100/- (Rupees One Hundred) each as fully paid-up in the Transferee Company;
2. No fractional shares or certificates shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the 'Transferor Company 1' and 'Transferor Company 3' are entitled on the issue and allotment of redeemable preference shares by the Transferee Company in accordance with this Scheme.
- The fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board in that behalf and shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares.
3. The share swap ratio as stated in Clause 3.1 has been determined by the respective Board of Directors of the 'Transferor Company 1', 'Transferor Company 3' and the Transferee Company based on the swap exchange ratio report provided by Sundae Capital Advisor Private Limited as on March 16, 2022.
4. The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from or notify to the relevant authorities for the issue and allotment by the Transferee Company of preference shares to the members of the 'Transferor Company 1', 'Transferor Company 3' respectively pursuant to the Scheme.
5. With effect from the Appointed Date and before the Effective Date, the Transferee Company will have no restriction and can at its own discretion but after obtaining written consent from the shareholders of the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' raise funds through issuance and allotment of fresh preference shares in accordance with the provisions of the Act.
6. The issue and allotment of preference shares being issued and allotted to the shareholders of 'Transferor Company 1' and 'Transferor Company 3' pursuant to clause 3.1 is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.

7. Upon this Scheme becoming effective and upon amalgamation of 'Transferor Companies with the Transferee Company in terms of this Scheme, the equity shares and preference shares of Transferor Companies held by the Transferee Company (either held in its own name or through its nominees) shall stand cancelled in their entirety.

**5. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESPECTIVE TRANSFEROR COMPANIES**

As the Transferor Companies shall stand dissolved without being wound up upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Companies.

**6. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY** Notwithstanding anything to the contrary contained herein, upon coming into effect of this scheme, the Transferee Company shall account for the amalgamation in its books of accounts in respect of:

- a) Transferor Company 1 and Transferor Company 2: In accordance with Appendix C - (Business combinations of entities under common control) of Indian Accounting Standard (Ind AS) 103, Business Combinations, other accounting principles prescribed under the Companies (India Accounting Standards) Rules, 2015 as notified under section 133 of Companies Act, 2013 and relevant clarifications issued by the Institute of Chartered Accountants of India and on the date determined in accordance with Ind AS.

It is clarified that the separate financial statements of the Transferee Company shall be restated (including comparative period presented in the financial statements) from the beginning of the preceding period.

- b) Transferor Company 3: In accordance with 'acquisition method' of accounting as laid down in the Ind AS 103, Business Combinations.

## **PART IV – General terms and conditions applicable**

### **GENERAL TERMS AND CONDITIONS**

#### **1. PROVISIONS APPLICABLE TO PART III**

1.1 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- 1.amalgamation of 'Transferor Companies into and with the Transferee Company in accordance with Part III of the Scheme;
- 2.cancellation of the equity shares of Transferor Companies held by the Transferee Company (either held in its own name or through its nominees) pursuant to Part III of this Scheme;

#### **2. COMPLIANCE WITH LAWS**

2.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Chapter XV of the Act, for the purpose of the amalgamation of 'Transferor Company 1', 'Transferor Company 2', and 'Transferor Company 3' with the Transferee Company.

2.2 This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under the tax laws, including Section 2 (1B) and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Restructured Companies, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.

2.3 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), goods and service tax law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income Tax Act, 1961 etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme. The order of National Company Law Tribunal permitting Transferee Company to revise its financial statements and books of accounts shall be sufficient and no further act shall be required to be undertaken by the Transferee Company.

#### **3. CONSEQUENTIAL MATTERS RELATING TO TAX**

3.1 Upon the Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with 'Transferor Companies', including any taxes paid and taxes deducted at source and deposited by the Transferee Company on inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance 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, 1961 and any excess tax so paid shall be eligible for refund together with interest. Any TDS certificates issued by the Transferee Company to, or for the benefit of, 'Transferor Companies' under the Income Tax Act, 1961 with respect to the inter se transactions would be available to the Transferee Company to seek refund from the tax authorities in compliance with law. Further, TDS deposited, TDS certificates issued or TDS returns filed by the 'Transferor Companies' on transactions other than inter se transactions during the period between the Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company. Any TDS deducted by, or on behalf of, the Transferee Company on inter se transactions will be treated as advance tax deposited by the Transferee Company.

3.2 The Transferee Company is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit, Goods and Service Tax credit, tax deduction in respect of nullifying of any transaction between or amongst 'Transferor Companies' and the Transferee Company, provided that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income-tax returns, withholding tax returns, sales tax returns, excise & CENVAT returns, goods and service tax returns, other tax returns, to obtain TDS certificates, including TDS certificates relating to transactions between or amongst 'Transferor Companies' and the Transferee Company, and to claim refunds, advance tax, and withholding tax credits, etc., pursuant to the provisions of this Scheme.

3.3 All tax assessment proceedings/appeals of whatsoever nature by or against 'Transferor Companies' pending and/or arising at the Appointed Date and relating to 'Transferor Companies' shall be continued and/or enforced until the Effective Date by the 'Transferor Companies'. In the event of the 'Transferor Companies' failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the 'Transferor Companies'.

3.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' with the Transferee Company or anything contained in the Scheme.

In accordance with the Cenvat Credit Rules framed under Central Excise Act, 1944, and Good and Service Tax Act, 2017 as are prevalent on the Effective Date, the unutilized credits relating to excise duties and GST paid on inputs/capital goods/input services lying in the accounts of 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/service tax payable by it.

#### **4. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities and the continuance of proceedings by or against the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' under Clause 1.2.5 of Part III of the Scheme above shall not affect any transaction or proceedings already concluded by the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' on and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' in respect thereto as done and executed on behalf of the Transferee Company.

## 5. INCREASE IN AUTHORISED SHARE CAPITAL

5.1 As an integral part of the Scheme, and, upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand altered without any further act, instrument or deed, and also shall be increased by the authorized share capital of the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3'. The memorandum of association and articles of association of the Transferee Company (relating to authorized share capital) shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under any applicable provisions of the Section 13, 14, 61 or any other applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and fees paid on the authorized capital of the 'Transferor Company 1', 'Transferor Company 2', and 'Transferor Company 3' shall be set off against any fee payable on the increased authorized share capital of the Transferee Company subsequent to the amalgamation as per the provisions of Section 232(3)(i) of the Act. Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' into the Transferee Company, the authorized share capital of the Transferee Company stands altered as under:

<b>Authorized share capital</b>	<b>Rupees</b>
<b>Equity Share Capital</b>	
206,50,00,000 Equity shares of Rupees 2/- each	413,00,00,000
<b>Preference Share Capital</b>	
210,00,000 Preference Shares of Rupees 100/- each	210,00,00,000
<b>Total</b>	<b>623,00,00,000</b>

- 5.2 It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Transferee Company as may be required under the Act and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

*“The Authorized Share Capital of the Company is Rs. 623,00,00,000 (Rupees Six Hundred Twenty-Three Crores only) divided into 2,06,50,00,000 (Two Hundred and Six Crores and Fifty Lakhs only) Equity shares of Rs. 2/- (Rupees Two only) each, and Rs. 210,00,00,000 (Two Hundred Ten Crores only) divided into 210,00,000 (Two Crores Ten Lakh) Preference Shares of Rupees 100/- (Rupees hundred only) each.*

## **6. DIVIDENDS**

- 6.1 The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date.
- 6.2 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 shareholder of the Transferor Companies and the 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 Directors of the Transferor Companies and the Transferee Company, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of each of the Transferor Companies and the Transferee Company.

## **7. INTERPRETATION**

- 7.1 Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date for Part III and Part IV of the Scheme.
- 7.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of applicable law at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the applicable law shall prevail. Subject to obtaining the sanction of the Competent Authority, if necessary, this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall, subject to obtaining the sanction of the Competent Authority, if necessary, vest with the Board of Directors of the Transferor Companies and the Transferee Company, which power shall be exercised reasonably in the best interests of the Transferor Companies and the Transferee Company and their respective shareholders.

## **8. APPLICATION TO THE COMPETENT AUTHORITY**

- 8.1 The Transferor Companies and the Transferee Company shall as may be required make necessary applications and/or petitions to the Competent Authority under Chapter XV of the Act along with the applicable provisions of the Act or rules thereunder, seeking orders for dispensing with or convening, holding and conducting of the meetings of members and/or creditors and for sanction of this Scheme with such modification as may be approved by the Competent Authority and all matters ancillary or incidental thereto.
- 8.2 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Companies and the Transferee Company respectively (wherever required), the Transferor Companies and the Transferee Company shall, with all reasonable dispatch, file respective petitions before the Competent Authority for sanction of this Scheme under Chapter XV of the Act along with applicable provisions of the Act or rules thereunder, and for such other order or orders, as the Competent Authority may deem fit for putting this Scheme into effect.
- 8.3 Upon this Scheme becoming effective, the shareholders of the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

## **9. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 9.1 The Restructured Companies, acting through their respective by their respective Boards of Directors, may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Competent Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e., the Board of Directors). The Restructured Companies, acting through their respective Boards of Directors, be and are hereby authorized to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any orders of the Competent Authority or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 9.2 The Restructured Companies, acting through their respective Boards of Directors, shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Competent Authority or any other authority is not on terms acceptable to them. Each of the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' shall be free to withdraw from the Scheme if any part of this Scheme is found to be unworkable or unfeasible for any reason whatsoever, this shall not, subject to the decision of the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' affect the validity or implementation of the other parts and/or provisions of this Scheme. In the event a part of this Scheme is found unworkable or unfeasible and the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' decide to implement the remaining part of this Scheme, to the extent it is unworkable or unfeasible, shall become null and void and no rights or

liabilities whatsoever shall accrue to, or be incurred inter se by, the parties or their respective stakeholders or any other persons with respect to such part of the Scheme.

- 9.3 Except as otherwise expressly provided in this Scheme, the Restructured Companies shall pay their respective costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementation of this Scheme. Upon this Scheme becoming effective all costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementing of this Scheme (save as expressly otherwise agreed) by the 'Transferor Company 1', 'Transferor Company 2' and 'Transferor Company 3' shall be borne solely by the Transferee Company.
- 9.4 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferor Companies and the Transferee Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 9.5 If any part of this Scheme is invalid, ruled illegal or rejected by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Restructured Companies, acting through their respective Boards of Directors, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by any court of competent jurisdiction, or unenforceable under present or future laws.
- 9.6 The Transferor Companies and the Transferee Company shall make necessary applications before the Competent Authority for sanction of this Scheme and any dispute arising out of this Scheme shall be subject to the jurisdiction of the Competent Authority.

## **10. CONDITIONALITY TO EFFECTIVENESS OF THE SCHEME**

- 10.1 Subject to the provisions of this Scheme, this Scheme shall become effective on the last of the following dates ("**Effective Date**"):
1. the Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Companies and the Transferee Company as may be directed by the Competent Authority on receipt of no-objection letters by the Transferee Company from the Stock Exchanges in accordance with the LODR Regulations and the SEBI Circulars in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Transferor Companies, each acting reasonably and in good faith; and
  2. the sanction of the National Company Law Tribunal, Allahabad Bench under the applicable provisions of the Act in favour of the Transferor Companies and the Transferee Company by passing the necessary order;

3. certified or authenticated scanned copy of the order of the Competent Authority sanctioning the Scheme being filed with the Registrar of Companies, by the Transferor Companies and the Transferee Company, as may be applicable.

#### **11. COSTS, CHARGES & EXPENSES**

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

#### **12. RESIDUAL**

12.1 Upon this Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, cash and deposits relating to the Transferor Companies, realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Companies in the name of the Transferor Companies to the extent necessary.

12.2 Upon this Scheme becoming effective, the Transferee Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Transferor Companies until the transfer of the rights and obligations of the Transferor Companies to the Transferee Company under this Scheme is formally accepted by the parties concerned.

12.3 Upon this Scheme becoming effective, the Transferee Company shall be entitled to rely on, use and operate on the basis of all licenses, consents and approvals, in the name of the Transferor Companies to the extent necessary.