

**SCHEME OF AMALGAMATION**

**UNDER SECTIONS 230 to 232 OF THE COMPANIES ACT, 2013**

**AMONGST**

**Tata Steel Limited..... Transferee Company**

**AND**

**Tata Steel Long Products Limited .....Transferor Company**

**AND**

**their respective shareholders**



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TATA STEEL LIMITED**

*Parvathesam Kanchinadhham*  
**(PARVATHEESAM KANCHINADHAM)  
COMPANY SECRETARY &  
CHIEF LEGAL OFFICER (CORPORATE & COMPLIANCE)**



## SCHEME OF AMALGAMATION

The Scheme is divided into the following parts:

Part	Particulars
I	General-Preamble, background of the Companies, need for the Scheme, rationale and objective of the Scheme, synergies of business of the entities involved in the Scheme, impact of the Scheme on shareholders, cost benefit, effectiveness of the Scheme, definitions and interpretation and share capital of the Companies
II	Amalgamation of the Transferor Company and with the Transferee Company
III	General terms and conditions

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

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## PART I - GENERAL

### 1. PREAMBLE

- 1.1 This scheme of amalgamation is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined hereinafter) and Section 2(18) of the IT Act (as defined hereinafter) amongst Tata Steel Limited, Tata Steel Long Products Limited and their respective shareholders.
- 1.2 This scheme of amalgamation (hereinafter referred to as the "Scheme") provides for the merger of the Transferor Company (as defined hereinafter) with the Transferee Company (as defined hereinafter), pursuant to Sections 230 to 232 and other relevant provisions of the Act, such that:
- (a) all the assets of the Transferor Company, shall become the property of the Transferee Company, by virtue of this amalgamation;
  - (b) all the liabilities of the Transferor Company, shall become the liabilities of the Transferee Company, by virtue of this amalgamation;
  - (c) transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part III of this Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Part III of this Scheme;
  - (d) cancellation of all the issued share capital of the Transferor Company which shall be affected as a part of the Scheme and not in accordance with Section 66 of the Act and issue of New Shares, as provided in Clause 15.2 of this Scheme, to the Eligible Members (as defined hereinafter) (other than the Transferee Company) as per the approved valuation report, in accordance with Part II of this Scheme; and
  - (e) dissolution of the Transferor Company, without being wound up.

### 2. BACKGROUND

#### 2.1 Tata Steel Limited

- (a) Tata Steel Limited is a listed public company incorporated under the Companies Act, 1882 (and an existing company under the Act) and has its registered office at Bombay House, 24, Homi Mody Street, Fort, Mumbai- 400001, Maharashtra ("Transferee Company"). The Corporate Identification Number of the Transferee Company is L27100MH1907PLC000260.
- (b) The Transferee Company was incorporated on August 26, 1907.
- (c) The Transferee Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferee Company is also amongst the lowest cost integrated steel manufacturers in India, with 100% (hundred percent) captive iron ore sources. With its wide portfolio of downstream, value-added and branded products, the Transferee Company caters to customers across all segments through its well-established distribution network. It has



operations in India, Europe and South East Asia. Tata Steel Group is one of the prominent geographically diversified steel producers. In addition, it has access to deep end of the markets and customer through its vast sales and distribution network.

- (d) Raw material operations of the Transferee Company are located in India, Mozambique, and Canada. Manufacturing facilities are located in India, Thailand, Netherlands, and United Kingdom with cumulative crude steel capacity being 34 (thirty four) million tons per annum. The Transferee Company is structured into several strategic business units aligned to product categories including, flat products, long products, tubes, wires, bearings, ferro-alloys, etc. The Transferee Company has been aiming to increase resilience of the business to steel business cycles by developing knowledge and intellectual property in new materials. Transferee Company has been foraying into areas such as composites, graphene, and advanced ceramics.
- (e) The equity shares of the Transferee Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (hereinafter collectively referred as the "Stock Exchanges"). The global depository receipts of the Transferee Company are listed on the Luxembourg Stock Exchange and the London Stock Exchange. Further, the unsecured redeemable non-convertible debentures of the Transferee Company are listed on the wholesale debt market segments of the BSE.

## 2.2 Tata Steel Long Products Limited

- (a) Tata Steel Long Products Limited is a listed public company incorporated under the provisions of the Companies Act, 1956 (and an existing company under the Act) and has its registered office at Joda Keonjhar Odisha 758 034 ("Transferor Company"). The corporate identification number of the Transferor Company is L27102OR1982PLC001091.
- (b) The Transferor Company was incorporated on July 31, 1982 as *Ipitata Sponge Iron Limited* with the Registrar of Companies, Cuttack, Odisha. The name of the Transferor Company was subsequently changed to *Tata Sponge Iron Limited* with effect from September 24, 1996 and to *Tata Steel Long Products Limited* with effect from August 20, 2019 and a fresh certificate of incorporation consequent upon change of name was granted.
- (c) The Transferor Company is in the business of production and marketing of sponge iron, which is a single end use (steel making) and a single grade product. It has also one of the largest specialty steel plants in India in the SBQ (special bar quality) segment with an annual capacity of one million tons per annum and the merchant DRI segments with a strong presence in the wire rod market.
- (d) The Transferee Company, as on the date of approval of the Scheme by the Board, i.e., as on September 22, 2022, holds 3,37,86,521 (three crores thirty seven lakhs eighty six thousand five hundred twenty one) equity shares constituting 74.91% (seventy four point nine one percent) of the equity share capital of the Transferor Company and consequently the Transferor Company is a subsidiary of the Transferee Company. Additionally, the Transferee Company also holds 1,27,00,00,000 (one hundred and twenty seven crores) non-convertible redeemable preference shares of the Transferor Company.
- (e) The shares of the Transferor Company are listed on the NSE and the BSE.



3. **NEED FOR THE SCHEME**

- 3.1 The Transferee Company is one of the leading global steel companies, with over 100 (hundred) years of experience in the steel sector and is a pioneer of steel manufacturing in India. The Transferor Company is in the business of production and marketing of sponge iron, which is a single end use (steel making) and a single grade product. It has also one of the largest specialty steel plants in India in the special bar quality segment. The amalgamation will consolidate the business of the Transferor Company and Transferee Company which will result in focused growth, operational efficiencies, and business synergies. In addition, resulting corporate holding structure will bring enhanced agility to business ecosystem of the merged entity.

4. **RATIONALE AND OBJECTIVE OF THE SCHEME**

- 4.1 The Companies (*as defined hereinafter*) believe that the resources of the merged entity can be pooled to unlock the opportunity for creating shareholder value.
- 4.2 The Companies envisage being able to share best practices, cross-functional learnings, and utilize each other's facilities in a more efficient manner.
- 4.3 Marketing and distribution network of both entities can be collaborated.

5. **SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME**

- 5.1 The proposed scheme would result in the following synergies:
- (a) **Operational integration and better facility utilisation:** The amalgamation will provide an opportunity for reduction of operational costs through better order loads through pooling of orders, improved sales and production planning. Also, the amalgamation will foster maintaining uniform KPIs benchmarks including, consumption of coke, fuel and power, Fe-bearing material, etc. which will reduce overall cost of production and promoter efficiencies. Further, culture of sharing of best practices, cross-functional learnings, will be fostered which will promote greater systemic efficiency.
- (b) **Improving customer satisfaction, services, and achieving greater market presence in long products segment:** Proposed amalgamation would integrate all long products businesses under a single umbrella fostering an integrated approach to market. Sales and distribution network will be pooled, facilitating in increasing market penetration. Culture of customer delight will be fostered by transitioning to 'one-face' to customers thereby making it easier to address customer needs by providing them uniform product and service experience, resolving customer complaints, ensuring on-time deliveries, and improved service quality. With common credit management, customers are expected to benefit from the channel financing facility as well.
- (c) **Centralized procurement and inventory management:** Inventory management and sourcing of stores, spares, MRO, and services can be managed centrally which will increase scale of operations thereby improving negotiating power, reducing sourcing and inventory management cost.



- (d) **Efficiency in working capital and cash flow management:** Proposed amalgamation will reduce inventory, improve vendor management, and better monitoring of age profile of creditors, thereby releasing working capital from the system. Further, efficiency in debt and cash management will improve substantially enabling the entities to have unfettered access to cash flow generated which can be deployed for growth and sustenance.
- (e) **Improving raw material security:** Proposed amalgamation will ensure improvement in raw material security for the Companies. Iron ores sourced from the mines of the Companies can be blended appropriately which can enhance overall life of mines of the combined entities.
- (f) **Faster execution of projects in pipeline:** The growth of the Transferor Company will be fast tracked by leveraging Transferee Company's technical expertise and financial resources.
- (g) **Rationalization of logistics costs:** Consolidation and optimization of stockyards could significantly reduce logistics and distribution costs for the Companies. Clubbing of cargoes may help lower shipping costs, port terminal charges and ocean freight.
- (h) **Simplified structure and management efficiency:** In line with group level 5S strategy – simplification, synergy, scale, sustainability, and speed – proposed amalgamation will simplify group holding structure, improve agility to enable quicker decision making, eliminate administrative duplications, consequently reducing administrative costs of maintaining separate entities.
- (i) **Sharing of best practices in sustainability, safety, health and environment:** Adoption of improved safety, environment and sustainability practices owing to a centralized committee at combined level to provide focused approach towards safety, environment and sustainability practices resulting in overall improvement. Further, overall technology maturity can be enhanced by the merged entity through unfettered access to each other's information technology applications and systems.

## 6. IMPACT OF THE SCHEME ON SHAREHOLDERS

- 6.1 For the shareholders of the Transferee Company, the proposed Scheme will result in economies of scale and consolidation of opportunities will improve profitability and enhance overall shareholder value. This is particularly marked in the improved synergies that will arise pursuant to the Scheme. The impact of the Scheme on the shareholders, including the public shareholders, would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.
- 6.2 For the shareholders of the Transferor Company, the Scheme will provide an opportunity to improve the economic value for the shareholders. This is particularly marked in the improved synergies that will arise pursuant to the Scheme. The proposed Scheme will result in deriving benefits for future capacity expansion and funding of capital expenditure, given the strong credit rating of the Transferee Company. Thus, upon the Scheme becoming effective, the shareholders of the Transferor Company will be able to participate in the growth of the Transferee Company, which is the largest steel manufacturing company in India, as on date.



7. **COST BENEFIT**

- 7.1 The implementation of the Scheme would involve incurring costs including, administrative cost, statutory dues, cost of advisors, etc. However, the long-term benefits are expected to outweigh costs towards implementation of the Scheme.

8. **EFFECTIVENESS OF THE SCHEME**

- 8.1 Upon the sanction of the Scheme by the Competent Authority, (*defined hereinafter*) the Scheme shall become operative on and from the Effective Date (*defined hereinafter*) and the Transferor Company shall stand transferred to and be vested in the Transferee Company on and from and with effect from the Appointed Date (*defined hereinafter*) for all intent and purposes and the Transferor Company shall stand dissolved without being wound up.

9. **DEFINITIONS**

- 9.1 In this Scheme, unless repugnant to the meaning or context thereof, (i) capitalized terms defined by inclusion in quotations and/or the parenthesis have the meaning so ascribed; and (ii) the following expressions shall have the meanings respectively assigned against them:
- (a) "Act" means the Companies Act, 2013, and all amendments or statutory modifications thereto or re-enactments thereof, including any rules made thereunder or notifications, circulars or orders made/ issued thereunder from time to time;
  - (b) "Applicable Law" means (a) applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, or policies of any applicable country and/or jurisdiction; (b) writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Appropriate Authority or recognized stock exchange;
  - (c) "Appointed Date" means opening of business on April 1, 2022, or such other date as may be determined by the Board of Directors of the concerned Companies or directed/ allowed by the Competent Authority;
  - (d) "Appropriate Authority" means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, SEBI, Stock Exchanges, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or 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, as may be applicable;
  - (e) "Board of Directors" or "Board" in relation to the Transferor Company and/or the Transferee Company, as the case may be, means the Board of Directors of such company in office at the relevant time, and unless it is repugnant to the context, shall include a committee duly constituted and authorised for the purposes of matters pertaining to this amalgamation,



Scheme and/or any other matter relating thereto;

- (f) "Companies" means the Transferor Company and the Transferee Company collectively, and "Company" shall mean any one of them as the context may require;
- (g) "Competent Authority" means the relevant bench/es of the National Company Law Tribunal, or such other forum or authority as may be vested with any of the powers of the above mentioned tribunal under the Act for approving any scheme of arrangement, compromise or reconstruction of a company under Sections 230 to 232 of the Act, before which the confirmation petition/s in terms of Rule 15 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is/are filed by the Transferor Company and/or the Transferee Company, as the case may be;
- (h) "Effective Date" means the date or last of the dates on which the certified copies of the order of the Competent Authority sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies, Cuttack and Registrar of Companies, Mumbai (whichever is later) after all the conditions and matters referred to in Clause 22 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme, and which filing may be a filing independent of the filing required to be made under Section 232(5) of the Act, read with Rule 25(7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" or likewise, shall mean the Effective Date;
- (i) "Eligible Members" has the meaning given to it in Clause 15.2 of Part II of this Scheme;
- (j) "Employees" mean all employees, if any, on the payroll of the Transferor Company, as on the Effective Date;
- (k) "Encumbrance" means without limitation (i) any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off and/ or any other interest held by a third party; (ii) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer restriction; (iii) any adverse claim as to title, possession or use; and/ or (iv) any agreement, conditional or otherwise, to create any of the foregoing and the terms "Encumbered", "Encumber" shall be construed accordingly;
- (l) "GST Act" means Central Goods and Services Act, 2017 and all amendments or statutory modifications thereto or re-enactments thereof, including any rules made thereunder or notifications, circulars or orders made/ issued thereunder from time to time;
- (m) "IT Act" means Income Tax Act, 1961, the finance acts, amendment acts and other direct





taxation laws of India (to the extent that such finance acts, amendment acts and other direct taxation laws, amend or relate to the taxes and surcharge imposed under the Income-tax Act, 1961) as may be amended from time to time and the rules, regulations, circulars, notifications and directions issued thereunder;

- (n) "Liabilities" means all debts (whether in Indian Rupees or foreign currency), liabilities (including bills payable, interest accrued, statutory reserves, provisions and all other liabilities including contingent liabilities, and obligations under any licenses or permits or schemes), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever whether or not provided in the books of accounts or disclosed in the financial statements of the Transferor Company, whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;
- (o) "LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and includes all the amendments or statutory modifications thereto or re-enactments thereof;
- (p) "New Shares" has the meaning given to it in Clause 15.2 of Part II of this Scheme;
- (q) "Record Date" means the date to be mutually fixed by the Board of Directors of the Companies, for the purpose of determining the shareholders of the Transferor Company to whom New Shares would be allotted pursuant to this Scheme;
- (r) "Registrar of Companies" means the Registrar of Companies, Cuttack or Registrar of Companies, Mumbai i.e. the relevant Registrar of Companies having territorial jurisdiction in the state(s) in which the respective registered offices of the Companies are located;
- (s) "Rupees" or "Rs." means the Indian rupee which is the lawful currency of India;
- (t) "Scheme" or "the Scheme" or "this Scheme" means this scheme of amalgamation, in its present form or this Scheme with any amendment(s) or modification(s) if any, made by the shareholders of the respective Companies and accepted by the Boards of the respective Companies or such modification(s) as may be imposed by any Appropriate Authority and/or directed to be made by the NCLT(s) while sanctioning the Scheme;
- (u) "SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- (v) "SEBI Circulars" means together (i) Circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017; (ii) Circular no. CFD/DIL3/CIR/2017/26 dated 23 March 2017; (c) Circular no. CFD/DIL3/CIR/2017/105 dated 21 September 2017; (d) Circular no. CFD/DIL3/CIR/2018/2 dated 3 January 2018; (e) Circular no. SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated 12 September 2019; (f) Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/215 dated 3 November 2020; (g) Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/0000000657 dated 16 November 2021; (h) Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/0000000659 dated 18 November 2021, (i) Circular no. SEBI/HO/CFD/SSEP/CIR/P/2022/003, dated January 03, 2022; and (j) Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/11, dated February 01, 2022, on Schemes of Arrangement by



Listed Entities and Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 (as amended from time to time) issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

- (w) "Share Exchange Ratio" has the meaning given to it in Clause 15.2 of Part II of this Scheme;
- (x) "Stock Exchanges" means BSE Limited and National Stock Exchange of India Limited, collectively;
- (y) "Transferee Company" means Tata Steel Limited, a listed public company incorporated under the Companies Act, 1882 (and an existing company under the Act) and having CIN L27100MH1907PLC000260 and having its registered office at Bombay House, 24, Homi Mody Street, Fort, Mumbai- 400001, Maharashtra;
- (z) "Transferor Company" means Tata Steel Long Products Limited, a listed public company incorporated under the provisions of the Companies Act, 1956 (and an existing company under the Act) and having CIN L27102OR1982PLC001091 and having its registered office at Joda Keonjhar Odisha 758 034; and
- (aa) "Undertaking" means all the undertaking and the entire business of the Transferor Company as a going concern as on the Appointed Date, including all its assets, properties (whether movable or immovable, tangible or intangible), investments, rights, approvals, licenses and powers, leasehold rights and all its debts, outstanding, liabilities, duties, obligations, and employees including, but not in any way limited to, the following:
- (i) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., whether or not recorded in the books of accounts of the Transferor Company and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;
- (ii) all assets, as are movable in nature forming part of the Transferor Company, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches in India, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, bonds, debentures,



debenture stock, units or pass through certificates, the benefits of any bank guarantees, performance guarantees and all the tax related assets/credits, tax refunds, incentives, allowances, exemptions or rebates or such other benefits including but not limited to goods and service tax input credits, service tax input credits, central excise, cenvat credit, value added tax credits, value added/ sales tax/ entry tax credits or set-offs, income tax including advance tax, withholding tax/ TDS/TCS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, tax refunds, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act and as per books of account, rights of any claim not made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;

- (iii) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, tax deferrals and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits/ holidays and exemptions including the right to deduction for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on its existing business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Transferor Company;
- (iv) all the mines, including applications for mining leases, with all necessary licenses, approvals, clearances, all mine infrastructures standing on the mining lease land and surface rights; all letters of intent, composite licenses, whether already granted or for which an applications is pending as on the Effective Date, including the following lease:

Sl. No.	Location of Mine	Lease Deed	Valid Till	Area of Lease
1	Vijaya # II Iron Ore Mines Village: Ghatkuri Dist: West Singhbhum Jharkhand	August 17, 2005	August 16, 2025 (and extendable till 2055)	155.078 hector

- (v) mining infrastructure such as tangible assets used for mining operations, being civil works, workshops, immovable ore winning equipment, foundations, embankments,



pavements, electrical systems, communication systems, relief centers, site administrative offices, fixed installations, ore handling arrangements, crushing and conveying systems, railway sidings, pits, shafts, inclines, underground transport systems, hauling systems land demarcated for afforestation and land for rehabilitation and resettlement of persons affected by mining operations under the relevant law;

- (vi) all registrations obtained under Value Added Tax Laws, Central Sales Tax Act, 1956, GST Act, including the following unit wise certificates:

Sl. No.	Address	GST Certificate No.
1.	Plot-49/50, KM Stone, Singhal Compound, NH-2, Delhi Mathura Road Highway, Vill-Baghola, Faridabad, Palwal, Haryana, 121102	06AABCT0230D1Z4
2.	Plot No. 90, Singhal Compound, Dewas Naka, A.B. Road, Lasudia Mori, Indore, Indore, Madhya Pradesh, 452010	23AABCT0230D1Z8
3.	Phase-V, Tata Sponge Iron Limited, Adityapur Industrial Area, Gamaharla, Jamshedpur, Seraikela-Kharsawan, Jharkhand, 832108	0AABCT0230D1ZE
4.	Plot No. 357/75, Waghjai Nagar, Chakan Telegaon Road, Chakan, Pune, Pune, Maharashtra, 410501	27AABCT0230D1Z0
5.	Plot No. L9, Phase-II, Sipcot Industrial Park, Sriperumbudur, Kancheepuram, Chennai, Tamil Nadu, 602105	33AABCT0230D1Z7
6.	11 <sup>th</sup> Floor, Tata Centre, 43 Jawaharlal Nehru Road, Kolkata, West Bengal, 700071	19AABCT0230D1ZX
7.	Ground floor, Tata Steel Long Products Limited, Beleipada, Keonjhar, Kendujhar, Odisha, 758034	21AABCT0230D1ZC

- (vii) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, benefit of any arrangements, allotments, approvals, authorities, registrations, exemptions, benefits, waivers, security and other agreements, engagements, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, agreements/deeds for hire of fitted assets, equipment purchase agreements, agreements with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance policies, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder;
- (viii) all insurance policies pertaining to the Transferor Company;
- (ix) all Intellectual property rights, applications (including hardware, software, licenses, source codes, object code, algorithm and scripts), registrations, servers, software



assets, hardware assets, cloud, data centers, any devices including but not limited to laptops and mobile devices, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such rights of whatsoever description and nature;

- (x) all rights to use, subscribe and avail, transfer or sell telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Transferor Company;
- (xi) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, manuals, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form and all other interest of whatsoever nature belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company;
- (xii) the Employees, if any, including liabilities of Transferor Company with regard to the Employees, if any, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date; and
- (xiii) all suits, actions, legal or other proceedings including quasi-judicial, arbitral of whatsoever nature involving or continued or to be enforced by or against the Transferor Company, which are capable of being continued by or against the Transferor Company under the Applicable Law.

## 10. INTERPRETATION

- 10.1 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other



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

- 10.2 References to Clauses and recitals, unless otherwise provided, are to Clauses and recitals to this Scheme.
- 10.3 The headings herein shall not affect the construction of this Scheme.
- 10.4 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 10.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 10.6 References to a person includes any individual, firm, body corporate (whether incorporated or not), Appropriate Authority, or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).
- 10.7 Terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified Clauses of this Scheme, as the case may be.
- 10.8 A reference to "writing" or "written" includes printing, typing, lithography and other means of reproducing words in a visible form including e-mail.
- 10.9 Reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated.
- 10.10 References to any provision of law or legislation or regulation shall include: (a) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into 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, (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.



## 11. SHARE CAPITAL OF THE COMPANIES

### 11.1 SHARE CAPITAL OF THE TRANSFEREE COMPANY

11.1.1 The share capital of the Transferee Company, as on the date of the meeting of Board of Directors of the Transferee Company for considering and approving this Scheme, i.e., as on September 22, 2022 is as under:

Authorised share capital:		(₹ crore)
		Amount
17,50,00,00,000	Ordinary Shares of ₹1/- each	1,750.00
35,00,00,000*	"A" Ordinary Shares of ₹10/- each	350.00
2,50,00,000*	Cumulative Redeemable Preference Shares of ₹100/- each	250.00
60,00,00,000*	Cumulative Convertible Preference Shares of ₹100/- each	6,000.00
		<b>Total:</b> 8,350.00
Issued share capital:		Amount
12,23,21,83,670	Ordinary Shares of ₹1/- each	1,223.22
22,32,880	Ordinary Shares of ₹1/- each (Partly Paid up)	0.22
		<b>Total:</b> 1,223.44
Subscribed and Paid-up share capital:		Amount
12,22,12,20,420*	Ordinary Shares of ₹1/- each fully paid up	1,222.12
22,32,880	Ordinary Shares of ₹1/- each (paid-up ₹0.2504 each)	0.05
<i>Amount paid-up on 3,89,516 Ordinary Shares of ₹10 each forfeited</i>		0.20
		<b>Total:</b> 1,222.37

\*'A' Ordinary Shares and Preference Shares included within the authorised share capital are for disclosure purposes and have not yet been issued.

\*\* includes 3,078 Ordinary shares on which first and final call money has been received and the partly paid-up equity shares have been converted to fully paid-up equity shares but are pending final listing and trading approval under the fully paid-up shares with ISIN INE081A01012, and hence, continue to be listed under partly paid-up ISIN IN9081A01010 as on June 30, 2022. Further, of the 3,078 Ordinary Shares, 2,025 Ordinary shares received the final listing and trading approval from BSE & NSE under ISIN INE081A01012 on July 01, 2022, and trading effective from July 04, 2022

Note: Paid-up capital includes 11,68,393 Ordinary Shares held by Rujvalika Investments Limited (a wholly owned subsidiary of Tata Steel Limited w.e.f. May 8, 2015), which do not carry any voting rights.

11.1.2 The equity shares of the Transferee Company are listed on the Stock Exchanges.

### 11.2 SHARE CAPITAL OF THE TRANSFEROR COMPANY



11.2.1 The share capital of the Transferor Company, as on the date of the meeting of Board of Directors of the Transferor Company for considering and approving this Scheme, i.e., as on September 22, 2022 is as under:

Authorised share capital:		Amount
7,50,00,000	Equity Shares of ₹10/- each	75,00,00,000
1,53,00,00,000	Non-convertible redeemable preference shares of ₹ 100 each	15,300,00,00,000
<b>Total:</b>		<b>15,375,00,00,000</b>
Subscribed and Paid-up share capital:		Amount
4,51,00,000	Equity Shares of ₹10/- each fully paid up	45,10,00,000
1,27,00,00,000	non-convertible redeemable preference shares of ₹100/- each	127,00,00,00,000
<b>Total:</b>		<b>1,27,45,10,00,000</b>

11.2.2 The equity shares of the Transferor Company are listed on the Stock Exchanges

11.2.3 Apart from the aforementioned shares, the Transferor Company has not issued any other shares or other ownership interests of the Transferor Company or any options (including employee stock options), warrants, rights or other securities (including but not limited to compulsorily convertible preference shares and compulsorily convertible debentures) that are directly or indirectly convertible into, or exercisable or exchangeable for, such equity capital.





**PART II: AMALGAMATION OF THE TRANSFEROR COMPANY ALONG WITH THE UNDERTAKING  
INTO AND WITH THE TRANSFEREE COMPANY**

**12. TRANSFER AND VESTING**

12.1 With effect from the Appointed Date, upon this Scheme becoming effective, and subject to the provisions of this Scheme, the Transferor Company along with all its assets, liabilities, contracts, employees, licenses, consents, permits, records, approvals, etc., comprising the Undertaking shall, pursuant to the provisions of the Act, IT Act and any other Applicable Law without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern, so as to become, as and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, by virtue of and in the manner provided in this Scheme.

12.2 The Transferor Company completed acquisition of 95.65% (ninety five point six five percent) stake in Neelachal Ispat Nigam Limited ('NINL') effective July 4, 2022, in accordance with the process run by Department of Investment and Public Asset Management. Consequently, NINL has become a subsidiary of the Transferor Company and an indirect subsidiary of the Transferee Company. This Scheme envisages the amalgamation only of the Transferor Company into and with the Transferee Company and NINL will continue to be a separate legal entity. Upon the Scheme becoming effective, NINL will become a direct subsidiary of the Transferee Company.

12.3 Without prejudice to the generality of the above, with effect from the Appointed Date and upon this Scheme becoming effective:

**12.3.1 Transfer of Assets**

(a) all assets of the Transferor Company, as are movable in nature (including investment in shares and marketable securities) or incorporeal property or are otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by vesting and recrdal or by operation of law pursuant to this Scheme, shall stand transferred to vested in and/or be deemed to be transferred and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, with effect on and from the Appointed Date pursuant to the provisions of the Act, all other applicable provisions of Applicable Law, if any, without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-Clause shall be deemed to have occurred by physical or constructive delivery or by endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;

(b) all other movable properties of the Transferor Company, including actionable claims, earnest monies, receivables, 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 Appropriate Authorities, bodies, customers and any other persons, shall without any further act, instrument or deed, become the property of the Transferee Company. The Transferor Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard. The Transferor Company shall, if so required, also give notice in such



form as it may deem fit and proper to the debtors or obligor or any other person, that pursuant to the sanction of the Scheme by the Competent Authority, the said debtors should pay to the Transferee Company the debt, investment, loan, claim, bank balances and deposit or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover and realize the same stands vested in the Transferee Company;

- (c) all debentures, bonds, notes or other debt securities, if any, of the Transferor Company, whether convertible into equity or otherwise, shall become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company in respect of securities so transferred;
- (d) all immovable properties (including land, together with buildings and structures standing thereon) and rights and interests thereon or embedded to the land and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise, all tenancies, and all documents of title, right, security deposits and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done by the Transferor Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Appropriate Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached thereto including refund of any security deposits and shall be liable to pay the appropriate rent, rates and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The relevant authorities shall grant all clearances / permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. 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 in accordance with the terms hereof. The Transferor Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard, which are in possession of the Transferor Company. It is hereby clarified that, except where prior consent of the lessor is required for an assignment, all the rights, title, and interest of the Transferor Company in any leasehold properties shall without any further act, instrument, or deed, be vested in or be deemed to have been vested in the Transferee Company;
- (e) Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Transferor Company in any leasehold properties, including the mining leases and the licenses including prospecting licenses, letters of intent, permits etc., (including in each case, any applications made therefor), shall, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. However, in the interest of the transaction, the Companies shall make necessary applications with the State Government about the transaction, seeking permission for the transfer of the mining leases in favour of



the Transferee Company, provided that Transferee Company shall be required to pay any fee, transfer charges or cost for the transfer of the mining leases;

- (f) all estates, assets, rights, title, claims, interest, investments and properties of the Transferor Company as on the Appointed Date, including accretions and appurtenances, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company;
- (g) all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have been transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after the Effective Date;
- (h) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible for, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of the Scheme, the past track record of the Transferor Company shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes; and
- (i) all the security interest over any moveable and/ or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/ executed by any person in favour of the Transferor Company or any other person acting on behalf of or for the benefit of the Transferor Company for securing the obligations of the persons to whom the Transferor Company has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Transferee Company and the benefit of such security shall be available to the Transferee Company as if such security was ab initio created in favour of the Transferee Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company shall, upon this scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon



the Scheme becoming effective in accordance with the terms hereof;

### 12.3.2 Transfer of Liabilities

- (a) all secured and unsecured Liabilities howsoever arising, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferee Company and the Transferee Company 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 any 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. Necessary modification, as may be required would be carried out to the debt instrument issued by the Transferor Company, if any;
- (b) all loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of the Act and all other applicable provisions of Applicable Laws, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;
- (c) where any of the debts, liabilities, duties and obligations incurred before the Appointed Date by the Transferor Company, deemed to have been transferred to the Transferee Company by virtue of this Scheme, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;
- (d) loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company; and
- (e) subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and / or superseded by the foregoing provisions of this Scheme. It is expressly provided that, no other terms or conditions of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication;

### 12.3.3 Transfer of Encumbrances



- (a) the transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same;
- (b) all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;
- (c) the existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend to or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of the Scheme; and
- (d) any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required;

#### 12.3.4 Transfer of Contracts, Deeds, etc.

- (a) all contracts, agreements, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings whether written or otherwise, lease rights, deeds, bonds, understandings, insurance policies, applications, schemes and instruments of whatsoever nature to which the Transferor Company is a party, or to the benefit of which, the Transferor Company may be eligible/entitled, and which are subsisting and having effect immediately before the Effective Date, shall without any further act, instrument or deed continue 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 the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto or thereunder. 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, the Transferor Company may, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required and permitted under the law. The Transferor Company may also execute deeds



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of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party as may be necessary to be executed in order to give formal effect to the above provisions. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (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 Company;

- (b) without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party, including any filings with the regulatory authority or any writings, as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed; and
- (c) on and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and enforce all pending contracts and transactions in respect of the Transferor Company, in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme has been given effect to under such contracts and transactions;

#### 12.3.5 Transfer of Licenses and Approvals

- (a) all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, rehabilitation schemes, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, 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, privileges, powers, facilities, letter of allotments and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible/ entitled, and which are subsisting or having effect immediately before the Effective Date, including the benefits of any applications made for any of the foregoing, shall be and remain 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 Company, the Transferee Company had been a party or beneficiary or obligee 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;



- (b) all statutory licenses, no objection certificates, consents, permissions, approvals, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company or any applications made for the same by the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company;
- (c) all trademarks, trade names, service marks, copyrights, patents, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Transferee Company without any further act, instrument or deed, upon the sanction of this Scheme by the Competent Authority;
- (d) benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, 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; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company;
- (e) the Transferor Company 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 Applicable Laws 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 Company. It is hereby clarified that if the consent of any third party or Appropriate Authority, if any, is required to give effect to the provisions of this Clause, the said third party or Appropriate 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.
- (f) since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, shall stand vested by the order of sanction of the Competent Authority in the Transferee Company, the 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 sanctioning courts; and



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- (g) the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard;

#### 12.3.6 Transfer of Legal and other Proceedings

- (a) any pending suits/appeals, all legal or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against the Transferor Company, whether pending on the Effective Date or which may be instituted any time in the future, if such proceedings are capable of being continued by or against the Transferee Company, shall not abate, be discontinued or in any way prejudicially be affected by reason of this amalgamation of the Undertaking or because of the provisions contained in this Scheme. The proceedings shall continue by or against the Transferee Company in the same manner and to the same extent as they would have been continued, prosecuted and/or enforced by or against the Transferor Company, if this Scheme had not been implemented;
- (b) in case of any litigation, suits, recovery proceedings which are to be initiated by or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and shall prosecute or defend such proceedings;
- (c) the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company, which are capable of being continued by or against the Transferee Company, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company; and
- (d) the Transferee Company shall be deemed to be authorized under this Scheme to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme;

#### 12.3.7 Taxation related provisions

- (a) All the expenses incurred by the Transferor Company and the Transferee Company in relation to the amalgamation of the Undertaking with the Transferee Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective.
- (b) Upon the Scheme becoming effective, the Transferor Company (if required) and the Transferee Company are expressly permitted to revise, its financial statements and returns (including tax deducted at source ("TDS") or tax collected at source ("TCS") returns) along with prescribed forms, filings and annexures (including but not limited to TDS certificates) under the IT Act (including for the purpose of re-computing income-tax under the normal provisions, minimum alternative tax, and claiming other tax benefits), central sales tax, applicable state value added tax, entry tax, octroi, local tax law, service tax laws, excise and central value added tax ("CENVAT") duty laws, customs duty laws, goods and services tax





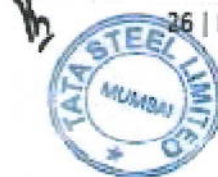
laws and other tax laws, if required to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction by and between the Transferor Company and the Transferee Company. With respect to the TDS certificates issued in the name of Transferor Company after the Appointed Date, the same will be deemed to be issued in the name of the Transferee Company for the income tax purposes.

- (c) Upon the Scheme becoming effective, the Transferee Company shall be entitled to (i) claim deductions with respect to provisions, expenses, etc., disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the IT Act on or after the Appointed Date; and (ii) exclude items such as provisions, reversals, etc., for which no deduction or tax benefit has been claimed by the Transferor Company prior to the Appointed Date.
- (d) With effect from Appointed Date, the Transferee Company is expressly permitted to claim any deduction (including deferred revenue expenditure, whether or not recorded for tax purposes) otherwise admissible such as under section 40, 40A, 43B, etc. of the IT Act / exemption, refunds and/or input tax credit/ cenvat, credit for taxes paid (including MAT, TDS/TCS, income tax including, advance tax, self-assessment tax, dividend distribution tax, carry forward of accumulated losses, unabsorbed depreciation, foreign tax credit, etc.) and for matters incidental thereto under the IT Act, central sales tax, applicable state value added tax, service tax laws, local body tax, entry tax, excise duty and CENVAT duty laws, customs duty laws, goods and service tax laws and other applicable tax laws. All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company 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 Company.
- (e) Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Undertaking with the Transferee Company or anything contained in the Scheme.
- (f) Any tax liabilities under the IT Act, service tax laws, excise duty laws, central sales tax, customs duty laws, local body tax, entry tax, wealth tax, GST Act, applicable state value added tax laws or other Applicable Laws dealing with taxes/ duties or levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to or stand transferred to the Transferee Company. Any surplus in the provision for taxation / duties or levies account including advance tax, foreign tax credit, MAT credit and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- (g) Any refund under the IT Act, service tax laws, excise duty laws, central sales tax, customs



duty, goods and services tax laws, applicable state value added tax laws or other Applicable Laws dealing with taxes/ duties or levies due to the Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.

- (h) The tax payments (including, without limitation income tax, including advance tax, self-assessment tax, dividend distribution tax, MAT, service tax, excise duty, central sales tax, customs duty, local body tax, entry tax, wealth tax, goods and services tax, applicable state value added tax, etc.) whether by way of TDS/TCS, foreign tax credit, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for taxes paid are in the name of the Transferor Company and not in the name of the Transferee Company.
- (i) Further, any TDS by the Transferor Company / Transferee Company on transactions with the Transferee Company/ Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (j) Obligation for TDS on any payment made by or to be made by the Transferor Company under the IT Act, service tax laws, excise duty laws, central sales tax, customs duty, goods and services tax laws, applicable state value added tax laws or other Applicable Laws dealing with taxes/ duties or levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- (k) Without prejudice to the generality of the above, all benefits, entitlements, incentives, accumulated losses, and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of accounts, credits, registrations (including, without limitation income tax, minimum alternate tax, TDS/TCS, taxes withheld/paid in foreign country, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty, goods and services tax, CENVAT, registrations, etc.) to which the Transferor Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- (l) Upon coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.
- (m) All deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Sections 40, 40A, 43B etc. of the IT Act) shall be available for deduction to the Transferee Company as it would have been available to the Transferor Company.



- (n) The accumulated losses and the allowance for unabsorbed depreciation of the Transferor Company shall be deemed to be the loss and the allowance for unabsorbed depreciation of the Transferee Company in accordance with Section 72A of the IT Act.
- (o) Further, the losses and unabsorbed depreciation as per books of account of the Transferor Company as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward losses and unabsorbed depreciation of the Transferee Company for the purpose of computation of book profit to calculate the minimum alternate tax payable by the Transferee Company.
- (p) Without prejudice to the generality of the above, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, taxes withheld/ paid in a foreign country, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, goods and service tax, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company upon coming into effect of this Scheme.
- (q) The Companies shall be entitled to file/revise its respective income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax deducted at source, dividend distribution tax credits, credit of foreign taxes paid/ withheld, excise, service tax credits, set off, goods and services tax, etc., if any, as may be required consequent to implementation of this Scheme.

#### 12.3.8 Transfer of Employees

- (a) all Employees of the Transferor Company, if any, remaining on the Effective Date, shall become employees of the Transferee Company with the benefit of continuity of service on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of the amalgamation of the Undertaking into the Transferee Company;
- (b) save as expressly provided for in this Scheme, the Employees, if any, who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the benefit of the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company (including the benefits if or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company;
- (c) It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the Employees are concerned, such proportion of the investments made in the funds and liabilities which are attributable/referable to the Employees (collectively referred to as the "Funds") shall be transferred to similar funds created and/or nominated by the Transferee Company and shall be held for their benefit



pursuant to this Scheme, or at the sole discretion of the Transferee Company, maintained as separate funds by the Transferee Company. Pending the transfer as aforesaid, the Funds of the employees may be continued to be deposited in the existing funds of the Transferor Company. Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to: (a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (b) merge the pre-existing funds of the Transferor Company with other similar funds of the Transferee Company;

- (d) Further to the transfer of Funds as set out herein above, 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 thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Transferor Company as on the Effective Date in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the Employees will be treated as having been continuous for the purpose of the said Funds;
- (e) In relation to any funds (including any funds set up by the government for employee benefits) created or existing for the benefit of the transferred Employees, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such transferred Employees;
- (f) the Transferee Company shall continue to abide by any agreement(s) / settlement(s) entered into with any employees by the Transferor Company. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity, grants, stock options or other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable; and
- (g) the Directors of the Transferor Company will not be entitled to any directorships in the Transferee Company by virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any directorship of any person who is already a director in the Transferee Company as on the Effective Date.

#### 12.3.9 Inter-Se Transaction

- (a) Without prejudice to the foregoing provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
- (b) With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including, *inter alia*, any transactions in the nature of sale or transfer of any goods, materials or services, between the Companies. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any *inter se* loans, deposits or balances between the Companies.
- (c) From the Effective Date, the Transferee Company shall commence, carry on and be authorized



to carry on the business of the Transferor Company.

- (d) With effect from the Effective Date, any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- (e) All inter se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

#### 12.3.10 Miscellaneous

For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Company at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Transferee Company after the Effective Date.

### 13. BUSINESS AND PROPERTY IN TRUST

- 13.1 The Transferor Company has agreed that during the period between the approval of the Scheme by the respective Boards of the Transferor Company and the Transferee Company and up to the Effective Date, the business of the Transferor Company shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in good faith and in accordance with Applicable Law.
- 13.2 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Transferor Company shall be deemed to have been carrying on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contract, investments and strategic decisions, for and on account of, and in trust for, the Transferee Company;
- (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;



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- (c) any of the rights, powers, authorities, privileges, exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company;
- (d) all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Transferor Company which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company;
- (e) all assets and properties comprised in the Transferor Company as on the date immediately preceding the Appointed Date, whether or not included in the books of the Transferor Company and all assets and properties relating thereto, which are acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company;
- (f) all taxes (including without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, value added tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, dividend distribution tax, wealth tax, sales tax, excise duty, customs duty, goods and services tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly; and
- (g) any refund (including interest, if any) under any tax laws due to the Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company. The Transferee Company is expressly permitted to revise and file income tax returns, goods and services tax returns and other tax returns, and to claim refunds / credits pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to such tax benefits including but not limited to minimum alternate tax paid under Section 115JA/115JB of the IT Act, and the right to claim credit therefore in accordance with the provisions of Section 115JAA of the IT Act, including the benefit of brought forward losses or depreciation as admissible under the provisions of the IT Act, including Section 72A, to the extent applicable to the taxable profits of the Transferee Company with effect from the Appointed Date. The Transferee Company shall continue to enjoy the tax benefits/concessions provided to the Transferor Company through notifications, circulars, etc. issued by the concerned Appropriate Authorities.
- (h) Notwithstanding anything contained in this Scheme, the Parties shall be entitled to declare, distribute and pay dividend, whether interim or final, to their respective shareholders prior to this Scheme becoming effective.



**14. SAVING OF CONCLUDED TRANSACTION**

- 14.1 The transfer and vesting of the assets, liabilities and obligations of the Transferor Company and the continuance of the proceedings by or against the Transferee Company shall not affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date or 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 and / or on behalf of the Transferor Company as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.

**15. CANCELLATION OF SHARES OF THE TRANSFEROR COMPANY AND ISSUANCE OF SHARES BY THE TRANSFEE COMPANY**

- 15.1 Upon coming into effect of this Scheme, all the shares of the Transferor Company held by the Transferee Company (either directly or through nominees) on the Effective Date shall stand cancelled without any further application, act or deed. Further, the investment in the shares of the Transferor Company, appearing in the books of accounts of the Transferee Company shall, without any further act or deed, stand cancelled. It is clarified that no new shares shall be issued nor payment shall be made in cash whatsoever by the Transferee Company in lieu of cancellation of such shares of the Transferor Company.

- 15.2 Upon coming into effect of this Scheme, and in consideration of the amalgamation of the Undertaking into and with the Transferee Company, the Transferee Company shall, without any further application, act or deed, issue and allot to the shareholders of the Transferor Company (other than the Transferee Company), whose names are recorded in the register of members as a member of the Transferor Company, including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company) (the "Eligible Member") in the following manner:

*"67 (sixty-seven) fully paid up ordinary equity shares of Re. 1/- (Rupee one) each of the Transferee Company, for every 10 (ten) fully paid up equity shares of Rs. 10 (Rupees ten) each held in the Transferor Company ("Share Exchange Ratio")."*

The shares to be issued by the Transferee Company to the shareholders of the Transferor Company in accordance with this Clause 15.2 of this Scheme shall be hereinafter referred to as the "New Shares".

**16. ISSUANCE MECHANISM**

- 16.1 The New Shares to be issued pursuant to Clause 15.2 above, shall be issued to the shareholders of the Transferor Company in such form, physical or dematerialized as permitted under Applicable Law. Provided that, in the event the Transferee Company is mandated to issue the shares only in the dematerialized form and the Transferee Company has not been provided with relevant account details with a depository participant by a shareholder of the Transferor Company holding shares in physical form prior to the Record Date, the Board of the Transferee Company may, in



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the interests of allottees, approve such method for allotment of the New Shares as it may, in its absolute discretion, deem fit.

- 16.2 Where New Shares are to be issued and allotted to heirs, executors or administrators, as the case may be, to successors of deceased shareholders or legal representatives of the shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.
- 16.3 In the event that the Companies restructure their share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 16.4 Upon this Scheme becoming effective and upon the issue of New Shares to the Eligible Members, the equity shares of the Transferor Company, both in demat form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 16.5 The equity shares to be issued by the Transferee Company pursuant to Clause 15.2 above in respect of such equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the Act or which the Transferee Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Law shall, pending allotment or settlement of the dispute by order of a court or otherwise, also shall be kept in abeyance in like manner by the Transferee Company.
- 16.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Transferor Company, the Board of the Transferor Company, shall be empowered prior to the Record Date, to effectuate such transfers in the Transferor Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares and in relation to the shares to be issued by the Transferee Company pursuant to Clause 15.2 above after the Scheme is effected. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.
- 16.7 The equity shares issued and allotted by the Transferee Company, in terms of Clause 15.2 above, shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all respects with the ordinary equity shares of the Transferee Company including as regards entitlement to dividend and other distributions and repayment of capital declared or paid on or after the Effective Date and voting and other rights.
- 16.8 At the time of issue and allotment of equity shares in terms of Clause 15.2 above, the Board of the Transferee Company shall aggregate all fractional entitlements, and allot equity shares in lieu thereof to a corporate trustee or such other authorized representative(s) as the Board of the Transferee Company shall appoint in this behalf, who shall hold such New Shares with all additions or accretions thereto, in trust on behalf of the equity shareholders entitled to fractional entitlements (and their respective heirs, executors, administrators or successors) with the express understanding that such trustee or other authorized representative(s) shall sell the same in the

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market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, within a period of 90 (ninety) days from the date of allotment of equity shares or such additional period as may be permissible under Applicable Law, and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. The Board of the Transferee Company, if it deems necessary, in the interests of allottees, approve such other method for distribution of the net proceeds in this behalf as it may, in its absolute discretion, deem fit.

16.9 The equity shares allotted and issued in terms of Clause 15.2 above, shall be listed and/or admitted to trading on the Stock Exchanges, where the equity shares of the Transferee Company are listed and/or admitted to trading; subject to the Transferee Company obtaining the requisite governmental approvals pertaining to their listing.

16.10 It is clarified that upon the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company under Sections 230 to 232 of the Act, the shareholders shall be deemed to have approved this Scheme under Sections 13, 14, 62, 188 and any other applicable provisions under the Act and the SEBI Circulars, and that no separate approval from or any shareholders and/or the creditors nor any further action, to that extent shall be required to be sought or undertaken by the Transferor Company and the Transferee Company respectively, for the matters specified in this Scheme.

#### 17. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

17.1 Notwithstanding anything to the contrary contained herein, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts in accordance with 'pooling of interest method' of accounting as laid down the Appendix C of in the Indian Accounting Standards (INDAS) 103 – Business Combinations, other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Act and relevant clarifications issued by Institute of Chartered Accountants of India ("ICAI"). Accordingly, the financial information in the financial statements in respect of the prior periods will be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination and such restatement shall not be considered or treated to be a revision of financial statements in terms of the provisions of Section 131 of the Act.

#### 18. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY

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

#### 19. AMALGAMATION AS PER INCOME TAX ACT

19.1 This Scheme has been drawn up to comply and come within the definition and conditions relating to "amalgamation" as specified under Section 2(1B) of the IT Act. If any term(s) or provision(s) of the Scheme are found or interpreted to be inconsistent with the provisions of the said sections of the IT Act, at a later date, including resulting from an amendment of law or for any other reason

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whatsoever, the Scheme shall stand modified / amended to the extent determined necessary to comply and come within the definition and conditions relating to "amalgamation" as specified in the IT Act. In such an event, where the Clauses which are inconsistent are modified or deemed to be deleted, such modification / deemed deletion shall, however, not affect the other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Companies, which power shall be exercised reasonably in the best interests of the Companies concerned and their stakeholders.

**20. DISSOLUTION WITHOUT WINDING UP**

- 20.1 Upon the Scheme coming into effect, with effect from the Appointed Date, the Transferor Company shall stand dissolved without being wound up by the order of the Competent Authority, or any other act or deed.
- 20.2 The Transferor Company's name shall be removed from the Register of Companies by the Registrar of Companies upon this Scheme becoming effective.



### PART III: GENERAL TERMS AND CONDITIONS

#### 21. APPLICATIONS

- 21.1 The Companies shall make applications and/ or petitions under Sections 230 to 232 and other applicable provisions of the Act to the Competent Authority for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.
- 21.2 On this Scheme becoming effective, the members of the Companies 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. The Companies shall also make all other necessary applications before the Competent Authority for sanction of this Scheme.
- 21.3 The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Companies, which the Companies may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Companies.

#### 22. SCHEME CONDITIONAL UPON

- 22.1 The Scheme is conditional and is subject to:
- (a) receipt of consents, no-objection letters, approvals 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 Companies, each acting reasonably and in good faith;
  - (b) the Scheme being agreed to (in the manner prescribed herein) by the respective requisite majorities of the various classes of shareholders of the Companies as required under the Act;
  - (c) The Scheme being approved by the PUBLIC shareholders through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it;
  - (d) receipt of approval or deemed approval from the Appropriate Authority for transfer of all mining leases and other composite licenses, if any, held by the Transferor Company, in favour of the Transferee Company;
  - (e) there having been no interim or final ruling, decree or direction by any Appropriate Authority, which has not been stayed by an appellate authority, which has the effect of prohibiting or making unlawful, the consummation of the proposed Scheme by any of the Companies; and
  - (f) the Scheme being sanctioned by the Competent Authority under Section 230 to 232 of the



Act, on terms as originally approved by or with such modifications as are acceptable to the Companies.

## 23. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF TRANSFEREE COMPANY

### 23.1 Change In Object Clause

- (a) In order to carry on the activities currently being carried on by the Transferor Company in relation to the Undertaking, upon coming into effect of the Scheme, the applicable main objects in the memorandum of association of the Transferor Company shall be added to the matters which are necessary for furtherance of the objects of the memorandum of association of the Transferee Company, to the extent such objects are not already covered in the memorandum of association of the Transferee Company, pursuant to the applicable provisions of the Act.
- (b) Under the accepted principle of single window clearance, it is hereby provided that the amendments pursuant to this Clause 23.1 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of the Transferee Company and shall not be required to pass separate resolutions under the applicable provisions of the Act.

### 23.2 Increase of Authorised Share Capital

- (a) As an integral part of the Scheme, and, upon coming into effect of the Scheme, the authorised share capital of the Transferor Company shall stand merged with the authorized share capital representing the ordinary shares of the Transferee Company and consequently, the authorized share capital of the Transferee Company shall stand suitably increased, without any further act, instrument or deed.
- (b) Clause V of the Memorandum of Association of the Transferee Company (relating to authorised share capital) and without any further instrument, act or deed be stand altered, modified and amended pursuant to Sections 13, 14, 61, 62 and 64 and other applicable provisions of the Act.
- (c) Pursuant to this Scheme, the Transferee Company shall file the requisite forms, if any, with the Registrar of Companies for alteration of its authorized share capital. The fee paid by the Transferor Company on its authorised capital, shall be set off against any fees payable by the Transferee Company on its authorised capital subsequent to the amalgamation and dissolution of the Transferor Company.
- (d) Under the accepted principle of single window clearance, it is hereby provided that the amendments pursuant to this Clause 23.2 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of Transferee Company and shall not be required to pass separate resolutions under the applicable



provisions of the Act.

**24. MODIFICATIONS**

24.1 The Companies (acting through their respective Boards or committees or such other person or persons, as the respective Board of Directors may authorize) may, in their full and absolute discretion, jointly and as mutually agreed in writing:

(a) assent/ make and/ or consent to any modifications or amendments to this Scheme, or to any conditions or limitations as may be mutually agreed and which the Competent Authority and/or any other authorities may deem fit to direct or impose, and/or effect any other modification or amendment, and to do all acts, deeds and things which may otherwise be considered necessary or desirable or appropriate for settling any question or doubt or difficulty that may arise for implementing and / or carrying out this Scheme;

(b) take such steps and do all such acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and give such directions (acting jointly) as to resolve any doubts, difficulties or questions, arising under this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any insolvent or deceased shareholders, debenture holders, depositors of the respective Companies), whether by reason of any order(s) of the Competent Authority or of any direction or orders of any other Appropriate Authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith, or to review the position relating to the satisfaction of the various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under the law);

(c) modify or vary this Scheme prior to the Effective Date in any manner at any time subject to Applicable Law; and

(d) determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

24.2 In case, post approval of the Scheme by the Competent Authority, there is any confusion in interpreting any Clause of this Scheme, or otherwise, the Board of Directors of the respective Companies shall have complete power to mutually take the most sensible interpretation so as to render the Scheme operational.

**25. Effect of non-receipt of Approvals**

25.1 The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 22.1 above are satisfied and in such an event, the Scheme shall become null and void. Unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Companies or their respective shareholders or creditors or employees or any other person.

25.2 In the event of this Scheme failing to take effect, the Board of Directors of any of the Companies may opt to terminate this Scheme and the Scheme shall stand revoked, cancelled and be of no

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effect and any of the Companies, if required, may file appropriate proceedings before the Competent Authority in this respect.

25.3 Upon the termination of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred *inter-se* between the Companies or their shareholders or creditors or employees or any other person.

26. **Conflict between Scheme and other arrangement**

26.1 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies and their respective shareholders and the terms and conditions of this Scheme, the latter shall prevail.

27. **Removal of Difficulties**

27.1 The Companies through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may:

(a) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of the Competent Authority or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and/or

(b) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

27.2 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Undertaking into the Transferee Company by virtue of the Scheme itself, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

28. **Severability**

28.1 If any part of this Scheme hereof is invalid, ruled illegal by Competent Authority or any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of the Scheme, and the



Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either of the Companies, in which case the Companies, acting through their respective Boards of Directors, shall attempt to bring about a modification in the Scheme, as will best preserve for the Companies the benefits and obligations of the Scheme including but not limited to such part, which is invalid, ruled illegal or rejected by the Competent Authority or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

29. 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:
- (a) amalgamation of the Undertaking into the Transferee Company in accordance with Part II of the Scheme;
  - (b) cancellation of all the issued share capital of the Transferor Company which shall be affected as a part of the Scheme and not in accordance with Section 66 of the Act and issue of New Shares as provided in Clause 15.2 of this Scheme, to the Eligible Members (other than the Transferee Company) as per the approved valuation report, in accordance with Part II of this Scheme;
  - (c) transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Part III of this Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided in Part III of this Scheme; and
  - (d) dissolution of the Transferor Company, without winding up.
30. Upon this Scheme becoming effective, the accounts of the Companies, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.
31. All costs, charges expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.), of the Transferor Company and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental shall be borne by the Transferee Company.
32. Upon the Scheme coming into effect, with effect from the Appointed Date, the resolutions, if any, of the Transferor Company, 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. If any such resolutions have any monetary limits approved as per the provisions of the Act, or any other applicable statutory provisions, then such limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
33. 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 Company until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the parties concerned.



34. Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the parties concerned.
35. The Companies shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.
36. The provisions contained in this Scheme are inextricably inter-linked and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Transferor Company and the Transferee Company or any committee constituted by such Boards.
37. The Companies shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the respective Board of Directors of the Companies prior to the Effective Date. In such a case, each of the Companies shall respectively bear their own cost or as may be mutually agreed. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, any one of the Companies shall not be entitled to withdraw the Scheme unilaterally: (a) without the prior written consent of the other Company; or (b) unless such withdrawal is in accordance with any written agreement entered into between the Companies.



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