SCHEME OF AMALGAMATION

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

OF

MANGALAM TIMBER PRODUCTS LIMITED

WITH

MANGALAM CEMENT LIMITED

For MANGALAM TIMBER PRODUCTS LTD.
Priya Sharma
Company Secretary

For Mangalam Cement Ltd.
Company Secretary

A. **PREAMBLE**

This Scheme of amalgamation (hereinafter referred to as the **"Scheme")** is presented under section **230 to 232** of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (to the extent notified and applicable) and provides for amalgamation of Mangalam Timber Products Limited with Mangalam Cement Limited.

B. **BACKGROUND OF THE COMPANIES**

(a) **Mangalam Timber Products Limited ("Transferor Company")**: Mangalam Timber Products Limited is a public listed company, incorporated on 27th day of August, 1982 under the provisions of the Companies Act, 1956, having its registered office at Village: Kusumi, P.O. &Dist.: Nabarangpur – 764 059, in the State of Odisha. The Transferor Company is a Company within the meaning of the Companies Act, 2013 having Corporate Identification Number L02001OR1982PLC001101. Equity shares of the Transferor Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Transferor Company is primarily engaged in manufacture of Medium Density Fibre Board (MDF) from its factory located at Kusumi, Nabarangpur, in the State of Odisha. The Transferor Company sells its products under the brand name "DURATUFF". MDF is used in making furniture, Particle Boards, Doors and all kinds of carpentry work.

(b) **Mangalam Cement Limited ("Transferee Company")**: Mangalam Cement Limited is a public listed company incorporated on 27th day of October, 1976 under the provisions of the Companies Act, 1956 having its registered office at P.O.: Aditya Nagar - 326520, Morak, District: Kota, in the State of Rajasthan. The Transferee Company is a Company within the meaning of the Companies Act, 2013 having Corporate Identification Number L26943RJ1976PLC001705. Equity shares of the Transferee Company are listed on the BSE and NSE. The Transferee Company is a well-established cement manufacturing Company having two cement manufacturing plants located at Morak in the State of Rajasthan with a consolidated installed capacity of 4.0 MTPA and one cement grinding plant located at Aligarh, in the State of Uttar Pradesh. At present, the Transferee Company produces Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC) using the dry process.

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The cements are marketed under the brand name of "Birla Uttam". The Transferee Company has also set up two Captive Thermal Power Plants of 17.5 MW each. Apart from this, the Transferee Company also owns 13 (Thirteen) Wind Mills at Jaisalmer, Rajasthan with an aggregate capacity of 13.65 MW generation per day. Recently, the Transferee Company has invested approximately Rs.100 Crores in a Waste Heat Recovery unit (WHR) with a capacity of 11 MW at Morak plant in the State of Rajasthan which is scheduled to be commissioned in October 2019.

C. RATIONALE OF THE SCHEME

i. The Transferor Company and the Transferee Company (hereinafter collectively referred as the "**Companies**") are part of the BK Birla Group of Companies and are under common management. The Companies have been looking at suitable proposals for consolidation for improving their financial and operating parameters and strengthening their position to grow and develop their business more effectively which is primarily catering to the housing sector. Further, integrating, interlinking and combining the business activities undertaken by both the Companies will be beneficial to the growing requirements in the housing sector, amongst other things and in order to utilize the resources available with each other for better functioning and operating in their respective spheres, under a single entity, it is proposed to amalgamate the Companies under the terms and conditions of this Scheme. The proposed amalgamation of the two companies will, *inter alia,* streamline the group structure reducing the multiplicity of legal and regulatory compliances required at present and accordingly this amalgamation is proposed.

ii. In the circumstances, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.

iii. The amalgamation will enable appropriate consolidation and integration of the activities of the Transferor Company and the Transferee Company with pooling and more efficient utilization of their resources, reduction in overheads and other expenses and improvement in other parameters. The amalgamation will result in formation of a larger and stronger entity having

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greater capacity for conducting its operations more efficiently, economically and competitively.

iv. The existing operating business and activities of the Transferee Company will continue to constitute the main business and activity of the merged entity with the greater share of the assets and turnover of the merged entity being contributed by such operating business and activities. The business of the Transferor Company would, *inter alia*, benefit greatly from the larger infrastructure, easier access to finance and better outreach of the Transferee Company. The consolidation of undertakings will result in the formation of a larger and a more broad based and diversified company.

v. The amalgamation will enable the Transferor Company and the Transferee Company to pool their financial, managerial, technical and other resources in order to meet the global challenges and competitive market conditions. Their combination will facilitate resource mobilization, increased operational efficiency and integrated management functioning. The managerial expertise of both the Companies would once combined together shall give additional thrust to the merged entity. The Financial strength of the Transferee Company can further accelerate the scaling up of the operations of the Transferor Company and the aim to create a position of leadership in the products manufactured by the Transferor Company. The amalgamation will create a better and a more competitive market for the products manufactured by the Transferor Company. As such the amalgamation of the Transferor Company with the Transferee Company will enable expansion of the business of the Transferee Company into growing markets of India, thereby creating greater value for the shareholders of the Transferee Company. This will in fact enable the Transferee Company to enhance its overall growth and development of business portfolio through effective and efficient deployment of funds leading to the increase in shareholder's value and ensure a fair return on investments made by all stakeholders.

vi. The Scheme is proposed accordingly and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

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D. **PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

(a) **PART I** deals with the definitions of capitalized terms used in this Scheme and the details of share capital of the Parties to the Scheme;

(b) **PART II** deals with amalgamation of the Transferor Company with the Transferee Company and the consideration thereof;

(c) **PART III** deals with the general terms and conditions that would be applicable to this Scheme.

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PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1 In this Scheme, unless inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

1.1.1 "**Act**" means the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof) and rules and regulations made thereunder and/or other guidelines or notification, for the time being in force, and which may relate or are applicable to the amalgamation / arrangement;

1.1.2 "**Appointed Date**" means the 1st day of April,2019;

1.1.3 **Applicable Law**" or "**Law**" means any applicable national, foreign, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

1.1.4 "**Appropriate Authority**" means:

(a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, Tribunal, court, central bank, commission or other authority thereof;

(b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;

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(c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority, including stock exchanges, the Securities and Exchange Board of India and Ministry of Corporate Affairs; and

(d) any recognized Stock Exchange;

(The term Appropriate Authorities shall be construed accordingly)

1.1.5 "**Board of Directors**" or "**Board**" means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof;

1.1.6 "**Effective Date**" means the date or last of the dates on which certified copies of the orders of the Hon'ble Benches of the Tribunal at Jaipur and Odisha sanctioning this Scheme are filed by the Transferor Company and the Transferee Company with the respective Registrar of Companies;

1.1.7 "**Encumbrance**" means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term "Encumber" shall be construed accordingly;

1.1.8 "**Income Tax Act**" means the Income Tax Act, 1961 including any statutory, modifications, re-enactments or amendments thereof for the time-being in force.

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

1.1.10 "**Parties**" shall mean collectively the Transferor Company and the Transferee Company and "**Party**" shall mean each of them, individually;

1.1.11 "**Permits**" means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations or filings from any Appropriate Authority;

1.1.12 "**Person**" shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, any Appropriate Authority or any agency or political subdivision thereof or any other entity that may be treated as a person under Applicable Law;

1.1.13 "**Record Date**" means any date which may be fixed by the Board or a committee duly constituted by the Board, if any, of the Transferee Company in consultation with the Board of the Transferor Company for the purpose of determining the equity shareholders of the Transferor Company for issue of the new equity shares of the Transferee Company pursuant to this Scheme;

1.1.14 "**ROC**" means the Registrar of Companies, Jaipur and the Registrar of Companies, Cuttack, as the case may be;

1.1.15 "**Scheme**" means this Scheme of Amalgamation of the Transferor Company with the Transferee Company in its present form or with such modifications as sanctioned by the Hon'ble Benches of the Tribunal at Jaipur and Odisha;

1.1.16 "**SEBI**" means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

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1.1.17 "**SEBI Circular**" means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, and any amendments thereof or modifications issued pursuant to regulations 11, 37 and 94 of the LODR Regulations including Circular CFD/DIL3/CIR/2017/26 dated 23 March 2017, circular no **CFD/DIL3/CIR/2017/105** dated September 21, 2017 and Circular CFD/DIL3/CIR/2018/2 dated 3 January 2018 and Circular SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated September12, 2019;

1.1.18 "**Stock Exchanges**" means BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**");

1.1.19 "**Transferor Company**" means Mangalam Timber Products Limited, a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 having its registered office at Kusumi, Nabarangpur – 764 059, in the State of Odisha;

1.1.20 "**Transferee Company**" means Mangalam Cement Limited, a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013 and having its registered office at Aditya Nagar – 326520, Morak, District: Kota, in the State of Rajasthan.

1.1.21 "**Tribunal**" or "**NCLT**" means the Hon'ble National Company Law Tribunal constituted under Section 408 of the Act having its Benches, inter alia, at Jaipur and Odisha.

1.1.22 "**Undertaking of the Transferor Company**" means and includes:

(a) All the properties, assets, rights and powers of the Transferor Company and

(b) All the debts, liabilities, duties and obligations of the Transferor Company.

Without prejudice to the generality of the foregoing clause, the said Undertaking shall include all rights, powers, interests, authorities, privileges and all properties and assets, moveable or immovable, freehold or leasehold, real or personal, tangible or intangible,

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corporeal or incorporeal, in possession or reversion, present or contingent, of whatsoever nature and wherever situated, including all lands, buildings, plant and machinery, office equipment, inventories, investments in shares, bonds and other securities, sundry debtors, cash and bank balances, tax credits, loans and advances, leases and all other interests and rights in or arising out of such properties together with all liberties, easements, advantages, exemptions, approvals and licenses, if any, held as on the Appointed Date, applied for or as may be obtained thereafter by the Transferor Company or which the Transferor Company is entitled to, together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records of the Transferor Company.

1.1.23 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the Execution Date) for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions;

1.2.2 words denoting the singular shall include the plural and words denoting any gender shall include all genders;

1.2.3 headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same;

1.2.4 the words "include" and "including" are to be construed without limitation;

1.2.5 reference to a clause, paragraph or schedule is, unless indicated to the contrary, a reference to a clause, paragraph or schedule of this Scheme;

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1.2.6 references to days, months and years are to calendar days, calendar months and calendar years, respectively;

1.2.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;

1.2.8 in the event that the Parties enter into any definitive agreement in relation to this Scheme or any subject matter hereof, the provisions of such definitive agreement shall be binding on the Parties;

1.2.9 no provision of this Scheme shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof;

1.2.10 references to time (am or pm) are references to Indian Standard Time (IST);

1.2.11 the index, bold typeface, headings and titles herein are used for convenience of reference only and shall not affect the construction of this Scheme.

2. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 14 of this Scheme, shall become effective and operative from the Appointed Date.

3. SHARE CAPITAL

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company and the Transferee Company as on the date of approval of this Scheme by the Board of Directors of the said Companies, i.e. as on June 21, 2019, is as under:

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3.1 **The Transferor Company**

Particulars	Rupees in Lakhs
Authorised Share Capital	
2,50,00,000 equity shares of Rs. 10/- each	2,500.00
35,00,000 7.50% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	3,500.00
Total	**6,000.00**
Issued, Subscribed and Paid-up Capital	
1,83,27,400 equity shares of Rs. 10/- each fully paid up	1,832.74
Add: Forfeited Shares (originally paid up)	0.21
34,47,000 7.50% Non-Cumulative Redeemable Preference Shares of Rs.100/- each Fully Paid Up	3,447.00
Total	**5,279.95**

The Transferee Company holds 6,50,000 Equity Shares in the aforesaid Capital of the Transferor Company aggregating to approximately 3.55% of the total Issued, Subscribed and Paid Up Equity Share Capital of the Transferor Company. Further, all the aforesaid Preference Shares issued by the Transferor Company are held by the Transferee Company. Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company.

3.2 **The Transferee Company**

Particulars	Rupees in Lakhs
Authorised Share Capital	
4,00,00,000 equity shares of Rs.10/- each	4,000.00
2,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each	200.00
1,80,00,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each	1,800.00
Total	**6,000.00**
Issued, Subscribed and Paid-up Capital	
2,66,93,780 equity shares of Rs.10/- each	2669.38
Total	2,669.38

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Subsequent to the above date, there has been no change in the Authorised, Issued, Subscribed and Paid up share capital of the Transferee Company till the date of approval of the Scheme by the Board of the Transferee Company.

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PART II

AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

4. TRANSFER OF ASSETS AND LIABILITIES

4.1 With effect from the Appointed Date, the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme. Accordingly, the Undertaking of the Transferor Company shall, pursuant to the provisions contained in Sections230 to 232 and other applicable provisions of the Act and subject to the provisions of the Scheme in relation to the mode and manner of vesting, stand transferred to and vest in or be deemed to be transferred to and vested in the Transferee Company, as going concerns without any further act, deed, matter or thing (save as provided in Clause 4.2.1 below) so as to become on and from the Appointed Date, the Undertaking of the Transferee Company.

4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:

4.2.1 All assets of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or actual and/ or constructive delivery or by paying over or endorsement and/ or delivery, the same may be so transferred and delivered by the Transferor Company by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date;

4.2.2 Subject to Clause 4.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties) investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other Persons, whether or not the same is held in the name of the Transferor Company, shall,

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without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of Transferee Company;

4.2.3 Without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold or under a license or permission to use (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company, without any act or deed to be done or executed by the Transferor Company, as the case may be and/ or the Transferee Company.

4.2.4 All the brands, trademarks of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to the Transferee Company by operation of law. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/ or registered in the name of the Transferee Company;

4.2.5 All debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any

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Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;

4.2.6 Unless otherwise agreed to between the Parties, the vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Transferor Company or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Transferor Company is a party) related to any assets of Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;

4.2.7 For the removal of doubts, it is clarified that to the extent that there are inter-company loans, debentures, deposits, obligations, balances or other outstanding as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, debentures, deposits, balances or other outstanding with effect from the Appointed Date. The 34,47,000 7.50% Non-Cumulative Redeemable Preference Shares of Rs.100/- each issued by the Transferor Company to the Transferee Company shall stand cancelled accordingly without issue and allotment of any securities in lieu thereof to any person

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whatsoever.

4.2.8 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. 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;

4.2.9 With effect from the Appointed Date, all the Permits (including the licenses granted by any Governmental, statutory or regulatory bodies) held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Sections 230 to 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company, and under the relevant license and/ or Permit and/ or approval, as the case may be, and the Transferee Company shall keep a record and/ or account of such transactions; and

4.2.10 Without prejudice to the foregoing provisions of Clause 4.2 the Transferor Company, and the Transferee Company shall be entitled to execute any and all instruments or documents and do all the acts and

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deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned ROC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person, to give effect to the above provisions.

5. **LEGAL PROCEEDINGS:**

If any suits, actions and proceedings of whatsoever nature (hereinafter called "the Proceedings") by or against the Transferor Company are pending on the Appointed Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

6. **CONTRACTS, DEEDS ETC.**

Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements, engagements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which have not lapsed and are subsisting on the Appointed Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

7. **SAVING OF CONCLUDED TRANSACTIONS:**

The transfer and vesting of the Undertaking of the Transferor Company under Clause 4 above, the continuance of Proceedings by or against the Transferee Company under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceeding already concluded by the Transferor Company on or before 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 on behalf of the Transferor Company as acts, deeds and things done

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and executed by and on behalf of the Transferee Company.

8. EMPLOYEES:

On and from the Effective Date:

8.1 All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service on the said date.

8.2 Accordingly, the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

8.3 It is expressly provided that the Provident Fund, Gratuity Fund, Superannuation Fund or any other Fund or Funds ("**Funds**") created or existing for the benefit of the employees, as applicable, of the Transferor Company shall be continued by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company.

9. CONSIDERATION:

9.1 Upon the effectiveness of this Scheme and in consideration of the amalgamation of the Transferor Company with the Transferee Company, including the transfer and vesting of the assets and liabilities of the Transferor Company in the Transferee Company pursuant to provisions of this Scheme, the Transferee Company shall, without any further act or deed, issue and allot to each member of the Transferor Company, whose name is recorded in the register of members and the records of the depository as members of the Transferor Company on the Record Date, 1 (one) equity

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share of Rs.10/- each of the Transferee Company credited as fully paid up for every 22 (twenty-two) equity shares of Rs.10/- each held by such shareholder in the Transferor Company ("**New Equity Shares**"). No equity shares shall be issued by the Transferee Company in respect of the shares held by the Transferor Company in the Transferee Company. The ratio in which the New Equity Shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is referred to as the "**Share Exchange Ratio**".

9.2 The New Equity Shares to be issued and allotted as provided in Clause 9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *paripassu* in all respects with the existing Equity Shares of Transferee Company.

9.3 The Transferee Company shall apply for listing of the New Equity Shares on the Stock Exchanges in terms of the SEBI Circular and Applicable Laws. The New Equity Shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading, as per the Applicable Law. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange(s).

9.4 No fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the Equity Shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares in the Transferee Company in consideration of the amalgamation, as above. The Board of Directors of the Transferee Company or a committee thereof shall on each occasion consolidate such fractional entitlements, and issue and allot the respective Equity Shares in lieu thereof to a Director and / or Officer(s) of the Transferee Company on the express understanding that such Director and / or Officer(s) to whom such shares are allotted shall sell the same in the market and pay to the Transferee Company the net sale proceeds thereof (after deductions of applicable taxes and costs incurred

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thereof), whereupon the Transferee Company shall distribute such net sale proceeds to the said Equity Shareholders of the Transferor Company in proportion to their fractional entitlements.

9.5 The issue and allotment of the New Equity Shares to the shareholders of the Transferor Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.

9.6 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company, provided all details relating to their accounts with the depository participants are available with the Transferee Company.

9.7 Consequent to and as part of the amalgamation of the Transferor Company with the Transferee Company herein, the Authorised Share Capital of the Transferor Company shall stand merged into and combined with the Authorised Share Capital of the Transferee Company pursuant to the Scheme, without any further act or deed, and without payment of any registration or filing fee on such combined Authorised Share Capital, the Transferor Company and the Transferee Company having already paid such fees. Accordingly, the Authorised Share Capital of the Transferee Company resulting from the amalgamation of the Transferor Company with the Transferee Company shall be a sum of Rs.120,00,00,000/- divided into 6,50,00,000 Equity Shares of Rs.10/- each, 2,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each, 1,80,00,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each and 35,00,000 7.50 % Non-Cumulative Redeemable Preference Shares of Rs.100/- each. Clause V of the Memorandum of Association of the Transferee Company and Article 4(1) of the Articles of Association of the Transferee Company shall stand altered accordingly and substituted by the following respective Clause and Article upon the Scheme becoming effective:-

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Clause V of Memorandum of Association:

"V. The Share Capital of the Company is Rs. 120,00,00,000/- (Rupees One Hundred Twenty Crores) divided into 6,50,00,000 Equity Shares of Rs.10/- each, 2,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each, 1,80,00,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each and 35,00,000 7.50 % Non-Cumulative Redeemable Preference Shares of Rs.100/- each with the Rights and Privileges and conditions attached thereto as are provided by the regulation of the Company for the time being with the power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges and / or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

Article 4 (1) of Articles of Association:

"4 (1). The Share Capital of the Company is Rs. 120,00,00,000/- (Rupees One Hundred Twenty Crores) divided into 6,50,00,000 Equity Shares of Rs.10/- each, 2,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each, 1,80,00,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10/- each and 35,00,000 7.50 % Non-Cumulative Redeemable Preference Shares of Rs.100/- each"

9.8 It is clarified that since the Authorised Share Capital of the Transferee Company shall stand increased and reorganised, as aforesaid, by operation of law, and without any further act or deed, and without payment of any fees on such combined Authorised Share Capital, the Transferor Company having already paid such fees, consequent to transfer and vesting of all rights and powers of the Transferor Company in the Transferee Company, as an integral part of the amalgamation herein under Sections 230 and 232 of the Act, the Transferee Company shall not be required to seek any consent or approval under Sections 13, 14, 61, 64 or any other provisions of the Act for such increase and reorganization of Share Capital.

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10. CANCELLATION OF SHARES:

All shares held by the Transferee Company in the share capital of the Transferor Company as on the Effective Date (i.e., 6,50,000 Equity Shares and 34,47,000 7.50% Non-Cumulative Redeemable Preference Shares of the Transferor Company), shall stand cancelled, without any further act or deed, upon this Scheme becoming effective. In lieu thereof no allotment of any new shares or any payment shall be made to any person whatsoever.

11. DISSOLUTION OF THE TRANSFEROR COMPANY

The Transferor Company shall stand dissolved without winding up pursuant to the provisions of Section 232 of the Act.

12. ACCOUNTING TREATMENT BY THE TRANSFEREE COMPANY

12.1 The amalgamation will be accounted in accordance with the "acquisition method" prescribed under the applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and in accordance with prevailing guidelines, including Indian Accounting Standards 103 – Business Combinations ("IND AS 103") notified under the Companies (Indian Accounting Standard) Rules, 2015, to the extent applicable.

12.2 Inter-company balances, if any, between the Transferor Company and the Transferee Company, appearing in the books of account of the Transferor Company and Transferee Company shall stand cancelled without any further act or deed, upon this Scheme becoming effective.

12.3 It is, however, clarified that the Board of Directors of the Transferee Company, in consultations with the Statutory Auditors, may account for the present amalgamation and other connected matters in such manner so as to comply with inter alia, the provisions of section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

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PART III

GENERAL TERMS & CONDITIONS

13. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions/ power of attorney of/ executed by the Transferor Company, as are considered necessary by the Board of the Transferor Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferor Company 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.

14. CONDUCT OF BUSINESS OF TRANSFEROR COMPANY IN TRUST FOR TRANSFEREE COMPANY:

14.1 With effect from the Appointed Date and upto the Effective Date:

14.1.1 The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company.

14.1.2 The Transferor Company shall carry on its businesses and activities with due diligence and business prudence and shall not charge, mortgage, encumber, alienate or otherwise deal with its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business, without the prior written consent of the Transferee Company.

14.1.3 All profits or income accruing or arising to the Transferor Company (including taxes paid thereon) or expenditure or losses arising or incurred by the Transferor Company on and after the Appointed

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Date shall, for all purposes, be deemed to have accrued as the profits or income (including taxes paid) or expenditure or losses, as the case may be, of the Transferee Company.

15. APPLICATIONS:

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications pursuant to Sections 230 and 232 of the Act to the Hon'ble Benches of the Tribunal at Jaipur and Orissa respectively for sanction and carrying out of the Scheme and for consequent dissolution of the Transferor Company without winding up. The Transferor Company and the Transferee Company shall also seek such other approvals as may be necessary in law, if any, for bringing the Scheme into effect and be entitled to take such other steps and proceedings as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

16. MODIFICATION AND IMPLEMENTATION:

The Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

16.1 to assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble Benches of the Tribunal at Jaipur and Orissa and / or any other authorities under law may deem fit to approve or direct or which may be considered necessary due to any change in law or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.

16.2 To settle all doubts or difficulties that may arise in carrying out the Scheme, to give their approval to all such matters and things as is contemplated or required to be given by them in terms of this Scheme and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect, including for carrying out or performing all such formalities or compliances as may be deemed proper and necessary for securing acceptance and recognition of transfer of rights, powers and

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obligations of the Transferor Company to the Transferee Company under this Scheme by the parties and authorities concerned.

Without prejudice to the generality of the foregoing, the Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

17. SCHEME CONDITIONAL UPON:

The Scheme is conditional upon and subject to:

17.1 Obtaining no-objection/ observation letter from the Stock Exchanges and SEBI in relation to the Scheme under Regulation 37 of the LODR Regulations on terms acceptable to the Transferor Company and the Transferee Company;

17.2 Approval of the Scheme by the respective requisite majority of shareholders of the Transferor Company and the Transferee Company and such other classes of persons of the said companies, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal under Sections 230 and 232 of the Act;

17.3 The Scheme being approved by the majority of public shareholders of the Transferor Company and the Transferee Company (including by way of e-voting) as required under Para 1(A)(9)(b) of Annexure-I of the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

17.4 The sanctions and orders of the Tribunals, under Sections 230 to 232 of the Companies Act, 2013 (hereinafter referred to as "**the Act**") being obtained by the Transferor Company and the Transferee Company;

17.5 Certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the concerned ROC having jurisdiction over the Parties; and

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17.6 The requisite consent, approval or permission of the Appropriate Authority or any other Person, which by Applicable Law or contract, agreement, may be necessary for the effective transfer and vesting of the Transferor Company and/or implementation of the Scheme.

Accordingly, the Scheme though effective from the Appointed Date, shall become operative on the **Effective Date**, being the day on which the last of the aforesaid Conditions Precedent are complied with. Reference in the Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" shall mean the Effective Date.

18. COSTS, CHARGES AND EXPENSES:

All costs, charges and expenses in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company. In the event the Scheme does not take effect or stands withdrawn for any reason whatsoever, each company shall pay and bear their own costs.

19. RESIDUAL PROVISIONS:

19.1 On the approval of the Scheme by the members of by the Transferor Company and the Transferee Company pursuant to Sections 230 and 232 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61, 62(1)(c) and 64 of the Act or any other provisions of the Act to the extent the same may be considered applicable.

19.2 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 insofar 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.

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19.3 Any tax liabilities under the Income-tax Act, 1961 or any other Central or State tax laws dealing with taxes, duties or other levies, including without prejudice to the generality of the foregoing, Sales Tax, Value Added Tax, Excise Duty, Service Tax, Octroi, Entry Tax, Goods and Services Tax and Stamp Duty (hereinafter referred to as "**Tax Laws**") allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the books of accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. All taxes / cess / duties paid, payable, received or receivable by or on behalf of the Transferor Company under the Tax Laws in respect of the operations and/or profits before the Effective Date, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax, CENVAT credit, goods and service tax credit, other indirect tax credit and other tax receivables) shall, for all purposes, be treated as the taxes / cess / duties, liabilities or refunds, claims or credits as the case may be of the Transferee Company, and any tax incentives, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions or reduction which would have been available to the Transferor Company, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes.

19.4 All compliances under the Tax Laws between the Appointed Date and Effective Date, undertaken by the Transferor Company, shall, upon this Scheme coming into effect, be deemed to have been complied with, by the Transferee Company. Any tax deducted at source by Transferor Company / Transferee Company on transactions between the Transferor Company and the Transferee Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid or tax deposited by the Transferee Company and shall, in all proceedings, be dealt with accordingly in the hands of the Transferee Company (including but not limited to grant of such tax deposited as credit against total tax payable by Transferee Company while filing consolidated return of income on or after Appointed Date). Upon the Scheme becoming effective, the Transferee Company is expressly permitted

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to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

19.5 The amalgamation of the Transferor Company with the Transferee Company and transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company has been proposed in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

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

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