# SCHEME OF ARRANGEMENT

**BETWEEN**

**NMDC LIMITED**
**(DEMERGED COMPANY)**

**AND**

**NMDC STEEL LIMITED**
**(RESULTING COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**(UNDER SECTIONS 230, 232, 66 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013)**

NMDC Steel Limited Nagarnar

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# PREAMBLE

## A. Preamble

This Scheme of Arrangement ("**Scheme**", *more particularly defined hereinafter*) is presented pursuant to the provisions of Sections 230 to 232, Section 66, and other relevant provisions of the 2013 Act (*defined hereinafter*), as may be applicable, for the demerger of the Demerged Undertaking (*defined hereinafter*) of NMDC Limited into NMDC Steel Limited on a going concern basis.

## B. Background and Description of Companies

1. NMDC Limited (hereinafter referred to as the "**Demerged Company**") is a Government Company incorporated on November 15, 1958 under the Companies Act, 1956 with CIN L13100TG1958GOI001674, having its registered office at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India. The equity shares of the Demerged Company are listed on NSE, BSE and CSE.

2. NMDC Steel Limited (hereinafter referred to as the "**Resulting Company**") is a Government Company incorporated on January 2, 2015 under the Companies Act, 2013 with CIN U27310CT2015GOI001618, having its registered office at C/O NMDC Iron & Steel Plant Nagarnar Bastar, 494001, Chhattisgarh, India. The equity shares of the Resulting Company are not listed.

## C. Rationale for the Scheme

1. Government of India has charted a road map to augment India's steel production to 300 MTPA by 2025. To fulfill this vision, green-field steel plants are being promoted through Special Purpose Vehicles ("**SPVs**") in mineral rich states of Chhattisgarh, Jharkhand, Karnataka and Odisha. It has been envisaged that the SPV being set up at these states would act as a facilitator and developer for the steel plant. It would acquire the required land, obtain statutory clearances for setting up the plant, organize water & power allocation for the site, along with dedicated raw material supply agreement. On completion of the above activities, the SPV would invite for suitable investor/s, who would construct, develop and operate the steel plant.

2. As part of expansion, value addition and forward integration programme, and also in consonance with the desire of the Government of India and Government of Chhattisgarh, NMDC Limited is setting up a 3 MTPA capacity Greenfield integrated steel plant ("**NMDC Iron & Steel Plant**" or "**NISP**") at Nagarnar, located 16 km from Jagdalpur in Chhattisgarh state.

3. The decision to construct the NISP was taken keeping in view with linkage with iron ore reserves and availability of investable surplus. NISP has progressed significantly further than the other Steel SPVs. The only difference is that NISP is being developed and constructed within NMDC Limited as opposed to being developed in an SPV. Also, NMDC Vision 2025, whilst mentioning forward integration has specifically stated that its role would be that of a developer for steel plants and at suitable time invite investors to commission and operate the plants. NMDC is therefore considering proposed scheme to add more value to Company's stakeholders by demerging NISP into separate company and subsequently inviting investor.

4. To this effect, in October 2020, the Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi gave its 'in-principle' approval to the demerger of NISP from NMDC Limited and strategic disinvestment of the NMDC Steel Limited by selling entire Government of India stake in the NMDC Steel Limited to a strategic buyer.

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5. Accordingly, to achieve the above objective, the Board of Directors of the NMDC Limited have decided to make requisite applications and/or petitions before the Ministry of Corporate Affairs, Government of India under Sections 230 to 232 of the 2013 Act (hereinafter defined) and other applicable provisions for the sanction of the Scheme.

**D. The Scheme is divided into the following parts:**

PART A - Definition and share capital of the companies.

PART B - Demerger of Demerged Undertaking of Demerged Company into Resulting Company.

PART C - Reduction of share capital

PART D - General terms and conditions that would be applicable to the Scheme.

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

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## PART A
## DEFINITION AND SHARE CAPITAL

### 1. DEFINITIONS

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

1.1 "**2013 Act**" means the Companies Act, 2013, as notified, and ordinances, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof.

1.2 "**Applicable Law**" means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, 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 Governmental Authority or recognized stock exchange.

1.3 "**Appointed Date**" shall mean April 1, 2021 or any such other date as may be decided by the MCA.

1.4 "**Board of Directors**" or "**Board**" means the respective Boards of Directors of the Demerged Company and/or the Resulting Company as the context may require and includes any committee constituted by such Board of Directors.

1.5 "**BSE**" means BSE Limited.

1.6 "**CSE**" means the Calcutta Stock Exchange Limited.

1.7 "**Demerged Company'**" means NMDC Limited, a public listed company incorporated on November 15, 1958 under the Companies Act, 1956 with CIN L13100TG1958GOI001674, having its registered office at Khanij Bhavan 10-3-311/A Castle Hills, Masab Tank, Hyderabad 500028, Telangana, India.

1.8 "**Demerged Undertaking**" means the business of NMDC Iron & Steel Plant at Nagarnar, Chhattisgarh, including without limitation, the assets and liabilities described in **Schedule I** annexed to the Scheme on a going concern basis.

Without prejudice or limitation to the generality of the above, the Demerged Undertaking shall mean and include, amongst others:

i. the property and assets of the Demerged Undertaking including without limitation, NISP and the assets and liabilities described in **Schedule I** annexed hereto, wherever such property or assets are situated, whether movable or immovable, leasehold or freehold, owned, leased or licensed, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories pertaining to or relatable to the Demerged Undertaking;

ii. all rights and licenses, all assignments and grants thereof, all permits, clearances and registrations whether under Central, State or other laws, rights (including rights/ obligations

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under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiary/ associate / joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), non--disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), taxes, share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax and other indirect taxes), deferred tax benefits and other benefits in respect of the Demerged Undertaking, cash balances, bank accounts and bank balances, deposits, advances, recoverable, receivables, casements, advantages, financial assets, hire purchase and lease arrangements, funds belonging to or proposed to be utilized for the Demerged Undertaking, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature, and description whatsoever, utilities, provisions, funds. benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;

iii. all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and back-up copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly, in connection with or relating to the Demerged Undertaking;

iv. any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Demerged Undertaking;

v. all employees of Demerged Undertaking that are determined by the Board of Directors of the Demerged Undertaking, to be substantially engaged in or employed in relation to the Demerged Undertaking, on the date immediately preceding the Effective Date;

vi. Specific loans and borrowings raised, incurred and utilized for the activities or operations of the Demerged Undertaking;

vii. All existing securities, mortgages, charges and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking;

viii. All other liabilities, pertaining to or relatable to the Demerged Undertaking;

ix. All legal proceedings of whatsoever nature by or against the Demerged Company pending and relating to the Demerged Undertaking;

Explanation to the term **"Demerged Undertaking"**: It is hereby clarified that Excluded Assets and Liabilities do not form part of the Demerged Undertaking and shall continue to vest with and belong to the Demerged Company. The balance sheet of the Demerged Undertaking as on the Appointed Date shall be jointly drawn up by the Board of Directors of the Demerged Company and the Resulting Company. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be deci dedmutually by the Board of Directors of the Demerged Company and the Resulting Company.

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1.9 "**Effective Date**" means the date on which the certified copies of the orders of the MCA sanctioning the Scheme are filed with the concerned Registrar of Companies. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" or "upon this Scheme coming into effect" shall mean the Effective Date.

1.10 "**Excluded Assets and Liabilities**" shall mean those assets and liabilities which are listed in **Schedule II** to this Scheme.

1.11 "**Governmental Approvals**" means any consent, approval, authorization, waiver, permit, permission, clearance, license, exemption, no objection certificate, registration, with, of or from any Governmental Authority.

1.12 "**Governmental Authority**" means any government authority, statutory authority, regulatory authority, agency, government department, board, commission, SEBI, Stock Exchanges, administrative authority, tribunal or court or any authority (including authorities administering Taxes) or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof or in any other nation over the Demerged Company and/or the Resulting Company. as the context may require.

1.13 "**MCA**" means the Ministry of Corporate Affairs, Government of India.

1.14 "**MCA Order**" means all order(s) passed or notifications issued by the MCA sanctioning or approving the Scheme.

1.15 "**NISP**" means the NMDC Iron & Steel Plant at Nagarnar, Chhattisgarh.

1.16 "**NSE**" means the National Stock Exchange of India Limited.

1.17 "**Person**" means any individual or other entity, whether a corporation' firm' company' joint venture, trust, association, organization, partnership or proprietorship including any governmental agency or regulatory body.

1.18 "**Record Date**" means the date to be fixed by the Board of Directors of the Resulting Company in consultation with the Board of Directors of the Demerged Company, for the purpose of determining the shareholders of the Demerged Company to whom fully paid up equity shares of the Resulting Company shall be issued in consideration for the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company on a going concern basis pursuant to and as contemplated under this Scheme.

1.19 "**Remaining Business**" with respect to the Demerged Company means all the business, employees, assets, and liabilities of the Demerged Company other than the Demerged Undertaking.

1.20 "**Resulting Company**" means NMDC Steel Limited. a wholly owned subsidiary of NMDC Limited incorporated on January 2, 2015 under the Companies Act, 2013 with CIN U27310CT2015GOI001618, having its registered office at C/O NMDC Iron & Steel Plant Nagarnar Bastar, Chhattisgarh 494001, India.

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1.21 "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this scheme of arrangement in its present form or with any modification(s) made under Clause 5 of Part D of the Scheme or as approved or directed by the MCA.

1.22 "**SCRR**" means the Securities Contracts (Regulation) Rules, 1957.

1.23 "**SEBI**" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.24 "**SEBI Circulars**" means Circular No. CFD/DIL.3/CIR/2017/21 dated March 10, 2017, and further amended by: (a) Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017; (b) Circular No. CFD/DIL3/CIR/2017/105 dated September 21, 2017; (c) Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018; (d) Circular No. CFD/DIL1/CIR/P/2019/192 dated September 12, 2019; (e) Circular No. CFD/DIL1/CIR/P2020/215 dated November 3, 2020; and (f) Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, issued by SEBI and as amended from time to time or any other circulars issued by SEBI applicable to a scheme of arrangement.

1.25 "**Stock Exchanges**" means BSE, CSE and NSE.

1.26 "**Tax**" or "**Taxes**" shall mean all taxes on net income, gross income, gross receipts, sales, use, services, ad valorem, value-added, capital gains, corporate income tax, minimum alternate tax, buyback distribution tax, transfer, franchise and profits, withholding tax, property tax, water tax, duties of custom and excise, octroi duty, entry tax, stamp duty, other governmental charges or duties or other taxes or statutory payments in relation to contract labour and/or other contractors and/or sub-contractors, statutory pension or other employment benefit plan contributions, fees, assessments or charges of any kind whatsoever, including any surcharge or cess thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto; and "**Taxation**" will be construed accordingly.

1.27 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 2013 Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, SEBI Circulars and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification, or re-enactment thereof from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 5 of Part D of the Scheme, approved or imposed or directly by the MCA, shall be effective from the Appointed Date, but shall be operative from the Effective Date. It is hereby clarified that the provisions set out herein will come into effect, upon the Scheme becoming effective.

## 3. DESCRIPTION AND SHARE CAPITAL OF THE COMPANIES

3.1 The share capital of the Demerged Company as on June 30, 2021 is as follows:

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| Particulars | Amount (Rs.) |
|---|---|
| Authorized Share Capital | |
| 400,00,00,000 equity shares of INR 1 each | 400,00,00,000 |
| Total | **400,00,00,000** |
| **Issued, Subscribed and Paid Up Share Capital** | |
| 293,06,05,850 equity shares of INR 1 each | 293,06,05,850 |
| **Total** | 293,06,05,850 |

The Resulting Company being 100% subsidiary of Demerged Company, all the shares in the Resulting Company are held by Demerged Company and its nominees.

After the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Demerged Company. However, the following transactions have been undertaken by the President of India acting through the Ministry of Steel, Government of India:

1. The President of India acting through and represented by the Ministry of Steel, Government of India has sold a 7.49% of its stake in the Demerged Company to non-retail investors and retail investors on July 6 and July 7, 2021. Pursuant to such sales, the shareholding of the President of India in the Demerged Company stood reduced from 68.29% to 60.80% as on July 8, 2021.

2. The President of India, acting through and represented by the Ministry of Steel, Government of India, has sold 1,47,942 equity shares of the Demerged Company on July 20, 2021, to the eligible employees of the Demerged Company. Pursuant to such sales, the shareholding of the President of India in the Demerged Company stood reduced from 60.80% to 60.79% as on July 23, 2021.

3.2 The latest share capital of the Resulting Company as of June 30, 2021 is as under:

| Particulars | Amount (Rs.) |
|---|---|
| Authorized Share Capital | |
| 3,00,000 equity shares of INR 10/- each | 30,00,000 |
| **Total** | **30,00,000** |
| **Issued, Subscribed and Paid Up Share Capital** | |
| 1,10,000 equity shares of INR 10/- each | 11,00,000 |
| **Total** | **11,00,000** |

After the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Resulting Company.

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## PART-B

## TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM DEMERGED COMPANY TO RESULTING COMPANY

### 1. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme, all the properties and assets (tangible and intangible assets including goodwill) and liabilities of the Demerged Undertaking will be transferred to the Resulting Company at values appearing in the books of accounts of the Demerged Company immediately before the demerger, in accordance with Section 2(19AA) of the IT Act. The Demerged Undertaking shall, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in and/or deemed to have been demerged from the Demerged Company and stand transferred to and vested in the Resulting Company as a going concern, in the following manner.

**Assets and Property**

1.1 ***Movable Assets***: All assets of the Demerged Company in relation to the Demerged Undertaking that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/or endorsement and delivery or by operation of law, pursuant to the Scheme becoming effective, shall be vested in the Resulting Company. The title of such property shall be deemed to have been transferred and recognized as that of the Resulting Company, absolutely and forever.

1.2 ***Bank Accounts and Receivables***: In respect of such of the assets of the Demerged Company in relation to the Demerged Undertaking other than those referred to in Clause 1.1 above, outstanding loans and advances, if any, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or in kind or for value to be received, deposits, if any, with Governmental Authorities and other authorities and bodies, shall, without any further act, instrument or deed be and stand transferred to and vested in the Resulting Company and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date. The Resulting 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.

1.3 ***Immovable Assets***: All immovable properties of the Demerged Company in relation to the Demerged Undertaking, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Demerged Company in relation to the Demerged Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of Applicable Law. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of Applicable Law. The Resulting Company shall always be entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and Taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. The title to such properties shall be deemed to have been mutated and recognized as that of the Resulting Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority, if and as may be required.

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shall suffice as record of continuing title with the Resulting Company and shall be constituted as a deemed mutation and substitution hereof. The Resulting Company shall be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title, and interest of the Demerged Company in relation to the Demerged Undertaking in any leasehold properties shall without any further act, instrument, or deed, be vested in or be deemed to have been vested in the Resulting Company.

1.4 ***Other Assets***: All the other assets, rights, title, interests, and investments of the Demerged Company in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.

**Debts and Liabilities**

1.5 All debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of the Demerged Company in relation to the Demerged Undertaking shall without any further act, instrument or deed, stand transferred to and vested in and/or be deemed to have been transferred to and vested in, the Resulting Company, so as to become on and from the Appointed Date, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company. It shall not be necessary to obtain the consent / approval of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to these provisions of this Scheme. Necessary modification as may be required would be carried out to the debt instrument issued by the Demerged Company in relation to the Demerged Undertaking.

1.6 The secured creditors (including any general or multi-purpose borrowings) of the Demerged Company in relation to the Demerged Undertaking and/or other holders of security over the properties of the Demerged Company in relation to the Demerged Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits of or interest in the Demerged Company in relation to the Demerged Undertaking, as existing immediately prior to the effectiveness of this Scheme. Further, the secured creditors of the Resulting Company and/or other holders of security over the properties of the Resulting Company shall be entitled to security only in respect of the properties, assets, rights, benefits of or interest in the Resulting Company, as existing immediately prior to the effectiveness of this Scheme. It is hereby clarified that pursuant to this Scheme: (a) the secured creditors of the Demerged Company in relation to the Demerged Undertaking and/or other holders of security over the properties of the Demerged Company in relation to the Demerged Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits or interest of the Resulting Company; and (b) the secured creditors of the Resulting Company and,/or other holders of security over the properties of the Resulting Company shall not be entitled to any additional security over the properties, assets, rights, benefits or interest of the Demerged Undertaking.

**Governmental Approvals**

1.7 All Governmental Approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no objection certificates and licenses, issued or executed in favour of the Demerged Company in relation to the Demerged Undertaking or which may be required to carry on the

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operations of the Demerged Company in relation to the Demerged Undertaking, shall stand transferred to the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party, a beneficiary or an oblige thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Resulting Company. In so far as the various incentives, Tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, or other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of, by the Demerged Company in relation to the Demerged Undertaking are concerned, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions as are available to the Demerged Company in relation to the Demerged Undertaking.

1.8 All registrations, licenses, trademarks, patents, copyrights, domain names, applications for copyrights, patents, trade-names and trademarks, etc. obtained or applied for by the Demerged Company in relation to the Demerged Undertaking, shall stand vested in the Resulting Company without any further act, instrument or deed, upon the sanction of the Scheme and upon this Scheme becoming effective.

1.9 Any third party or Governmental Authority required to give effect to any provisions of this Scheme, shall take on record the MCA Orders sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by the MCA, and upon this Scheme becoming effective. For this purpose, the Resulting Company shall file certified copies of such MCA Order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, consents, exemptions, registrations, no objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental Authorities for the purpose of carrying on its business-or in connection therewith), and certificates of every kind and description of whatsoever nature.

1.10 Upon coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities in relation to Demerged Undertaking, which have been transferred to it in terms of the Scheme.

## 2. EMPLOYEES OF DEMERGED UNDERTAKING

2.1 All staff, workmen and employees (whether full time or part time) of the Demerged Company engaged in, or employed in relation to the Demerged Undertaking, as may be identified by the Board of the Demerger Company, in service on the Effective Date, shall be deemed to have become staff, workmen and employees of the Resulting Company from the Appointed Date based on continuity of service. The terms and conditions of their employment with the Resulting Company shall not be less favourable than those on which they are engaged by the Demerged Company on the Appointed Date. The services of such staff, workmen and employees with the Demerged Company up to the Effective Date shall be included for the purposes of determining all benefits to which the said staff, workmen and employees may be eligible, including for the purposes of payment of any retrenchment compensation, gratuity, or other benefits.

2.2 The Resulting Company shall make all the necessary contributions for such transferred employees.

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engaged in or in relation to the Demerged Undertaking and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Resulting Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company for the Demerged Company

2.3 Subject to Applicable law, the existing provident fund, gratuity fund and pension and/or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Demerged Company for employees engaged in or in relation to the Demerged Undertaking, shall be continued on the same terms and conditions and will be transferred to the necessary funds, schemes or trusts of the Resulting Company without any separate act, deed or approval and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Demerged Company.

2.4 Resulting Company undertakes to continue to abide by any agreement(s)/ settlement(s) entered into with any labour unions/ permanent employees by Demerged Company in relation to the Demerged Undertaking. Resulting Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees with Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

## 3. CONSIDERATION

3.1. Upon the coming into effect of this Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to all the equity shareholders of the Demerged Company, whose names appear in the register of members as on the Record Date, 1 (One) equity share of the Resulting Company of INR 10 each fully paid-up for every 1 (One) equity shares held in the Demerged Company of INR 1 each fully paid-up.

3.2. The shares issued pursuant to this Clause 3.1 of Part B above ("**New Shares**"), shall be issued to the shareholders of the Demerged Company in demat form, that is, dematerialized shares unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Resulting Company. In the event that such notice has not been received by Resulting Company in respect of any of the shareholders of Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of Resulting Company, then the Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.

3.3 If any shareholder's holding in the Demerged Company is such that such shareholder becomes entitled to a fraction of a New Share, the Resulting Company shall not issue fractional shares to such shareholders but shall consolidate such fractions and round up the aggregate of such fractions to the

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next whole number and issue and allot the consolidated shares directly to an authorized representative or an individual trustee or a board of trustees or a corporate trustee or a SEBI registered merchant banker, nominated by the Board of the Resulting Company in that behalf. Such person shall sell such shares in the market at such price or prices and on such time or times as he/she/it in its sole discretion decide and, on such sale, shall, subject to withholding tax, distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.

3.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company, shall be empowered prior to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, to remove any difficulties arising to the transferors of the shares in relation to the New Shares after the Effective Date. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise during implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.

3.5 The New Shares issued under this Clause 3 of Part B shall be subject to the provisions of the memorandum and articles of association of the Resulting Company.

3.6 In the event that either of the Demerged Company and/or the Resulting Company restructure their equity share capital by way of share split / consolidation / issue of bonus shares or other corporate actions as may be undertaken in accordance with Applicable Law during the pendency of the Scheme, the issue of shares pursuant to this Clause 3 of Part B, shall be adjusted accordingly to take into account the effect of any such corporate actions.

3.7 The New Shares allotted and issued in terms of this Clause 3 of Part B shall be listed and/or admitted to trading on the stock Exchanges after obtaining the requisite approvals. The Resulting Company shall enter such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges. The New Shares issued by the Resulting Company shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchanges. Further, for the purpose of this Scheme, the Resulting Company is making/shall make an application under Rule 19(7) of SCRR seeking relaxation of strict enforcement of rule 19(2)(b) of SCRR.

3.8 It is clarified that upon the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 and 232 of the Act, the shareholders shall be deemed to have approved this Scheme under Sections 13, 14, 62, 66 and any other applicable provisions under the 2013 Act and that no separate approval from the shareholders to that extent shall be required to be sought for the matter specified in this Scheme.

## 4. ACCOUNTING TREATMENT

4.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and the Resulting Company shall give effect to the accounting treatment in its books of account in accordance with the standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

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4.2 Accounting treatment in the books of the Demerged Company:

i. Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account in the following manner:

A. The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Undertaking as on the Appointed date at the values appearing in its books of account (i.e., the book value) at the Appointed Date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the book values appearing on such date in accordance with the provisions of Section 2(19AA) of the IT Act.

B. Having recorded the transfer of the assets and liabilities, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act, 2013, specifically Ind AS 10 Appendix A 'Distribution of Non-cash assets to Owners'.

4.3 Accounting treatment in the books of the Resulting Company:

i. Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Resulting Company shall account for the demerger, in its books of accounts such that:

A. The Resulting Company shall record the assets and liabilities of the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at their respective book values as appearing in the books of account of the Demerged Company immediately before the Appointed Date in accordance with the provisions of section 2(19AA) of the IT Act.

B. The Resulting Company shall credit its equity share capital account with the face value of New Shares issued in accordance with Clause 3.1 of Part B.

C. The difference between the value of new equity shares issued under Clause 3.1 of Part B and the face value of New Shares Issued by the Resulting Company if any, will be credited to securities premium account of the Resulting Company.

D. The difference between the value of new equity shares issued under Clause 3.1 of Part B and the aggregate values of Net Assets (refer sub-clause (A) above) shall be debited to goodwill or as the case may be credited to capital reserve.

E. Having recorded the transfer of the assets and the liabilities as aforesaid and after receiving the relevant information on the fair values of assets acquired and liabilities assumed, the Resulting Company shall, to comply with the provisions of Indian Accounting Standards and more specifically Ind AS 103, 'Business Combinations', notified under Section 133 of the Act, read with the rules made thereunder and other Generally Accepted Accounting Principles, make necessary accounting adjustments, such that all identifiable assets acquired and liabilities assumed (including assets and

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liabilities not specifically recognized by the Demerged company in its financial statements) are reflected at their Appointed Date fair values within the measurement period specified in the said Ind AS 103 and corresponding adjustment shall be made to goodwill and / or capital reserve as computed in subclause (D) above.

## 5. TREATMENT OF TAXES

5.1 Notwithstanding anything to the contrary contained in this Scheme, upon effectiveness of this Scheme:

i. the Demerged Company shall be liable for any Tax payable to Governmental Authorities under Applicable Laws relating to Tax ("**Tax Laws**") and shall be entitled to any refunds of Tax from Governmental Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realized on, before or after the Appointed Date; and

ii. the Resulting Company shall be liable for any Tax payable to Governmental Authorities under Tax Laws and shall be entitled to refunds of any Tax from Governmental Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are paid or recorded in the books of the Demerged Company and whether such payments or receipts are due or realized on, before or after the Appointed Date.

5.2 Upon effectiveness of this Scheme, all applicable Taxes paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Resulting Company. Upon effectiveness of this Scheme, the payment of any Tax whether by way of deduction at source (including foreign tax credit), or otherwise howsoever by the Demerged Company in respect of the activities or operations of the Demerged Undertaking on and-from the Appointed Date, shall be deemed to have been paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.

5.3 Any refund of Tax paid under Tax Laws including income tax, sales tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking prior to the Appointed Date shall belong and be received by the Demerged Undertaking. Any refund of Tax paid under Tax Laws including income tax, sales tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking on or after the Appointed Date shall belong to and be received by the Resulting Company.

5.4 Each of the Resulting Company and the Demerged Company shall be entitled to, amongst others, file/ revise its income-tax returns, TDS certificates, TDS / TCS returns, GST returns, wealth tax returns, service tax, excise duty, sales tax, value added tax, entry tax, cess, professional tax and other statutory returns, if required, claim credit for tax deducted at source, claim for sum prescribed under section 43B of the IT Act on payment basis, claim for deduction of provisions written back by the Demerged Company and the Resulting Company previously disallowed in the hands of the Demerged Company and the Resulting Company (relating to the Demerged Undertaking) respectively under the IT Act, credit of foreign taxes paid/withheld, if any, pertaining to the

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Demerged Company and the Resulting Company (relating to the Demerged Undertaking) as may be required consequent to implementation of this Scheme and wherever necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on the Demerged Company or Resulting Company. The Demerged Company and the Resulting Company shall also be entitled to, amongst others, obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance Tax credits, input Tax credit, CENVAT credits, credits of all Taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.

**6. SAVING OF CONCLUDED TRANSACTIONS**

6.1 The transfer of properties and liabilities to, and the continuance of proceedings by, or against, Resulting Company as envisaged under this Scheme shall not affect any transaction or proceedings already concluded by the Demerged Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

**7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

7.1 All contracts, agreements, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect on the Appointed Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Resulting Company. Each such contract, agreement, deed, bond, understanding or instrument may be enforced by or against the Resulting Company as fully and effectively as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

7.2 Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement, to which the Demerged Company is a party in relation to the Demerged Undertaking, as may be necessary to be executed in order to give formal effect to the above provisions. the Resulting Company shall be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Demerged Company.

7.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorneys given by, issued or executed in favour of the Demerged Company in relation to Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.

**8. LEGAL PROCEEDINGS**

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8.1 All legal proceedings pertaining to the Demerged Undertaking of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, the Resulting Company after the coming into effect of the Scheme.

8.2 All legal or other proceedings pertaining to the Demerged Undertaking referred in Clause 8.1 of Part B above shall stand transferred to the name of the Resulting Company and the same shall be continued, prosecuted, defended and enforced as the case may be by or against the Resulting Company, to the exclusion of the Demerged Company.

## 9. INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

9.1 Upon this Scheme becoming effective, the authorized share capital of the Resulting Company will automatically stand increased to INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores) by simply filing the requisite forms with the Governmental Authority and no separate procedure or instrument or deed shall be required to be executed and/or process shall be required to be followed under the 2013 Act.

9.2 Consequently, the memorandum of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified, and amended pursuant to Sections 13 and 61 of the 2013 Act and other applicable provisions of the 2013 Act and be replaced by the following clause:

> "*The share capital of the company is INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores) divided into 3,00,00,00,000 (Three Hundred Crore) equity shares of INR 10/- (Indian Rupees Ten) each with power to increase or reduce the capital of the company for the time being or to divide subdivide or consolidate its shares. Upon any increase in capital, the company is to be at liberty to issue any new shares in priority to the other shares present and future with any preferential, deferred, qualified or special privileges or condition attached thereto.*"

9.3 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/approval also to the consequential alteration of the memorandum of association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the memorandum of association, as required under Sections 13 and 61 and other applicable provisions of the 2013 Act.

## 10. TREATMENT OF THE SCHEME FOR THE PURPOSES OF THE IT ACT

The Scheme has been drawn up to comply with the conditions relating to "**Demerger**" as specified under Section 2(19AA) of the IT Act. If any of the terms or provisions of the Scheme are found or

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interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of Applicable Law or for any other reason whatsoever, the provisions of the said section shall prevail and the Scheme shall stand modified to the extent necessary to comply with the Section 2(19AA) of the IT Act. Such modification will however not affect other parts of the Scheme.

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## PART C
## REDUCTION OF CAPITAL

### 1. REDUCTION OF SHARE CAPITAL OF RESULTING COMPANY

1.1 As on June 30, 2021, the issued, subscribed and paid up share capital of the Resulting Company is Rs. 11,00,000, comprising of 1,10,000 equity shares having face value of Rs. 10 each, fully paid up. The issued, subscribed and paid up share capital of the Resulting Company shall stand reduced and re-organized in the manner provided below.

1.2 Upon the Scheme becoming effective, and without any further act or deed by the shareholders of the Resulting Company or their nominees (including but not limited to surrendering of share certificates), 1,10,000 equity shares of Rs. 10 shares held by the Resulting Shareholders as on June 30, 2021 shall stand cancelled, extinguished and rendered invalid without any consideration/payment to the current shareholders of the Resulting Company ("**Capital Reduction**").

1.3 Upon the Scheme becoming effective and simultaneous with the Capital Reduction, the entire equity share capital of the Resulting Company shall stand reorganized such that the Resulting Company shall issue 2,93,06,05,850 (Two Hundred Ninety Three Crores Six Lakhs Give Thousand Eight Hundred Fifty) fresh equity shares having a face value of Rs. 10/- each.

1.4 The Capital Reduction stated in this Part C, and issuance of New Shares as stated in Clause 3 of Part B of the Scheme shall be effected as an integral part of the Scheme.

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## PART D
## GENERAL TERMS & CONDITIONS

### 1. REMAINING BUSINESS

1.1 The Remaining Business and all the assets, liabilities and obligations relating or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by the Demerged Company. All profits and/or losses pertaining to the Remaining Business shall be treated as profits and/or losses of the Demerged Company.

1.2 All legal, Tax and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date, which does not specifically pertain or relate to the Demerged Undertaking (including those relating to any right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business) shall be continued and enforced solely by or against the Demerged Company only, without any liability arising on the Resulting Company or its shareholders.

1.3 The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.

### 2. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

2.1 With effect from the Appointed Date and up to and including the Effective Date:

i. the Demerged Company (with respect to the Demerged Undertaking) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company;

ii. all profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all Taxes paid thereon (including but not limited to tax deducted at source, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Resulting Company;

iii. all loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.

2.2 Except as provided under this Scheme, from the date of the Scheme being approved by the Board of Directors of the Demerged Company and the Resulting Company and up to the Effective Date, the Demerged Company shall carry on the business of the Demerged Undertaking with diligence and prudence in the ordinary course, consistent with past practices in good faith and in accordance with Applicable Law.

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2.3 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business undertaken by the Demerged Company with respect to the Demerged Undertaking and to give effect to the Scheme.

## 3. FACILITATION PROVISIONS

3.1 The Demerged Company and the Resulting Company shall enter into shared services agreements and long-term supply agreement, as may be necessary, on such terms and conditions that may be agreed between the Demerged Company and the Resulting Company and on payment of consideration on an arm's length basis and which is in the ordinary course of business.

3.2 It is clarified that, in respect of the arrangements contemplated under this Scheme, approval of the Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 to 232 of the 2013 Act shall be deemed to have their approval under applicable provisions of the 2013 Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if and to the extent required and that no separate approval of the of the Board or audit committee or shareholders shall be required to be sought by either of the Demerged Company and/or the Resulting Company.

## 4. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom are transferred, vested, recorded, effected and/or perfected, in the records of the Governmental Authority/(ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Governmental Authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval as the case may be in trust on behalf of the Resulting Company.

## 5. MODIFICATION OR AMENDMENTS TO THE SCHEME

5.1 The Demerged Company and the Resulting Company (through their respective Boards of Directors, or such other person or persons as the respective Board of Directors may authorize) may assent to/make and/or consent to any modifications/amendments of any kind to the Scheme or to any conditions or limitations that the MCA and/or any other authority (including SEBI and Stock Exchanges) under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by their respective Boards.

5.2 The Demerged Company and the Resulting Company through their respective Boards of Directors are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts,

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difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

## 6. CONDITIONALITY OF THE SCHEME

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

6.1 The requisite consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular, on terms acceptable to the Demerged Company and the Resulting Company.

6.2 The Scheme being approved by the requisite majority in number and value of the various class of shareholders and/or creditors (where applicable) of the Demerged Company and the Resulting Company respectively, as required under the 2013 Act and as may be directed by the MCA.

6.3 Receipt of approvals of the relevant stock exchanges and SEBI in terms of the SEBI Circulars, if required.

6.4 The Scheme being sanctioned by the MCA or any other authority under Sections 230 to 232 and other applicable provisions of the 2013 Act. Provided that the Scheme is not withdrawn by the Demerged Company or the Resulting Company before the Scheme is sanctioned by the MCA.

6.5 Certified copies of the orders of the MCA sanctioning the Scheme being filed with the concerned Registrar of Companies, by the Demerged Company and the Resulting Company, if required, respectively.

6.6 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the Board of Directors / committee of / person(s) authorized by the Board and / or committee of Demerged Company and the Resulting Company.

## 7. EFFECT OF NON-RECEIPT OF APPROVALS

The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 6 of Part D above are satisfied and in such an event, unless each of the conditions are satisfied, no rights and liabilities whatsoever shall accrue to or be incurred inter-se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other Person.

## 8. WITHDRAWAL OF SCHEME

The Demerged Company and the Resulting Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the Boards of Directors of the Demerged Company and the Resulting Company prior to the Effective Date. It is hereby clarified that except as otherwise agreed by the Demerged Company and Resulting Company in writing, the Demerged Company and the Resulting Company shall not be entitled to withdraw the Scheme unilaterally without the

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prior written consent of the other company.

## 9. COSTS, CHARGES AND EXPENSES

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

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**Schedule I:**

**Details of assets and liabilities being demerged as part of the Demerged Undertaking**

**INR Crore**

| **Particulars** | **Annex** | ***(Amount as on 31.03.21)*** |
|---|---|---|
| | | |
| **LIABILITIES** | | |
| Liabilities | 1 | 1,602.30 |
| | | |
| **ASSETS** | | |
| Tangible and Intangible assets | 2 | 438.30 |
| Capital work in progress | 3 | 16,407.34 |
| Other Assets | 4 | 1805.20 |
| **TOTAL** | | **18,650.84** |

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**Annex 1**

**Liabilities**

**INR Crore**

| Particulars | (Amount as on 31.03.21) |
|---|---|
| Liabilities to Employees | 61.35 |
| Deposits received from others | 47.75 |
| Creditors for capital work | 915.97 |
| Creditors for misc. | 28.16 |
| Statutory Liabilities | 2.64 |
| NCD (including accrued interest of Rs.22.63) | 546.43 |
| **Total** | **1,602.30** |
| | |

**Contingent Liabilities & Commitments:**

1. The estimated amount of Contracts remaining to be executed on Capital account and not provided for Rs.313 4.62 Crore.
2. Claims against Company not acknowledged as debt: Claims by contractors under arbitration amounts to Rs.703.46 crore.

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## Annex 2

### Tangible and Intangible Assets

**INR Crore**

| Particulars | Tangible Assets - Net Block (Amount as on 31.03.21) |
|---|---|
| **Tangible Assets** | |
| **General** | |
| Land - Freehold | 75.88 |
| Land – Leasehold | 3.97 |
| Buildings | 9.82 |
| Plant & Machinery | 0.89 |
| Heavy Mobile Equipment | 15.65 |
| Furniture & Fittings | 0.63 |
| Office Equipment | 2.41 |
| Locomotives | 71.81 |
| Electrical Installations | 15.47 |
| | |
| **Social** | |
| Buildings | 239.52 |
| Furniture & Fittings | 1.02 |
| Office Equipment | 1.21 |
| **Total (A)** | **438.28** |
| **Intangible Assets** | |
| Computer Software | 0.02 |
| **Total (B)** | **0.02** |
| **Grand Total (A + B)** | **438.30** |

1. 168.44 Hectares is Govt Land taken over from District Industries Centre (DIC), Jagdalpur for the construction of Steel Plant near Nagarnar has not been accounted into the books as the amount payable is not ascertainable in the absence of any demand from the Govt. 2.95 Hectare of Land is included in 168.44 Hectare of Govt Land which is related to Pellet Plant Land.
2. Freehold land is excluding 71.24 Hectare of Land for Pellet Plant having value of Rs.19.69 core

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**Annex 3**
**Capital work in progress**

**INR Crore**

| Particulars | Capital work in progress & Pre –Operative expenses (Amounts as on 31.03.21) |
|---|---|
| RMHS | 1,222.60 |
| Coke Oven | 1,800.73 |
| By Product | 394.87 |
| Sinter Plant | 688.74 |
| Blast Furnace | 1,690.20 |
| SMS | 1,762.60 |
| TSC & HMS | 2,273.86 |
| LDCP | 72.99 |
| Oxygen Plant | 523.07 |
| Auxiliary Packages | 2,158.27 |
| Infrastructure Packages | 664.04 |
| Enabling Packages | 142.44 |
| Township Packages | 450.08 |
| Misc Packages | 0.68 |
| Capital Stores | 350.03 |
| Expenditure incidental to construction awaiting allocation | 2,212.14 |
| **Total Capital Work in Progress** | **16,407.34** |

1.Two Nos. of 33 KV GIS Feeders for Drawl of Permanent Electrical power from NISP having value of Rs.0.60 crore appx. and Culverts for accommodating slurry and water pipeline etc. having value of Rs.0.77 crore pertaining to Slurry Pipe Line Project not included above. In addition to the above, one inlet water pipeline with respect to Slurry Pipe Line of INR 5.59 crore has also not been included above.

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**Annex 4**
**Other Assets**

**INR Crore**

| Particulars | Amounts as on 31.03.21 |
|---|---|
| Loans and advances to employees | 18.97 |
| Deposit with others | 70.71 |
| Capital Advance | 87.94 |
| CENVAT Credit Receivable | 1,586.64 |
| Stores & Spares | 19.77 |
| Other Receivables | 16.60 |
| Cash & Bank Balances | 4.57 |
| **Total** | **1805.20** |

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**Schedule II:**
**Excluded Assets and Liabilities**

**Excluded Assets**

(a) Land –(for Pellet Plant) (71.24 Hectare Pvt Land) having value of INR 19.69 crore

(b) Two Nos. of 33 KV GIS Feeders for Drawl of Permanent Electrical power from NISP having value of INR.0.60 crore appx. which is related to Slurry Pipe Line Project.

(c) Culverts for accommodating slurry and water pipeline etc. having value of INR .0.77 crore which is related to Slurry Pipe Line Project. In addition to the above, one inlet water pipeline with respect to Slurry Pipe Line of INR 5.59 crore has also not been included above.

(d) 2.95 Hectares of Govt Land pertaining to Pellet Plant taken over from District Industries Centre, Jagdalpur and it has not been accounted into the books as the amount payable is not ascertainable in the absence of any demand from the Govt.

**Excluded Liabilities**

(a) Inter-unit balance (NMDC Limited) - INR17,075.19 crore

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