

SCHEME OF
AMALGAMATION
OF
STAR METALLICS
AND POWER
PRIVATE LIMITED
WITH
THE SANDUR
MANGANESE AND
IRON ORES
LIMITED AND
THEIR RESPECTIVE
SHAREHOLDERS

**SCHEME OF AMALGAMATION
OF
STAR METALLICS AND POWER PRIVATE LIMITED
WITH
THE SANDUR MANGANESE AND IRON ORES LIMITED
AND THEIR RESPECTIVE SHAREHOLDERS
(Under Section 230 and 232 of the Companies Act, 2013)**

PREAMBLE

This Scheme of Amalgamation is to provide for the Amalgamation of Star Metallics and Power Private Limited (“**Transferor Company**”) having CIN: U40102KA2007PTC043446 with The Sandur Manganese and Iron Ores Limited (“**Transferee Company**”) having CIN: L85110KA1954PLC000759 and their respective shareholders. The Scheme is made pursuant to the provisions of Sections 230 and 232 and other relevant provisions of the Companies Act, 2013.

I. BACKGROUND

- a) The Transferee Company is a well-established company, incorporated in 1954, engaged in the business of exploration, prospecting and mining of manganese ore, iron ore and also, manufacture of ferroalloys. It is currently operating in Ballari District of Karnataka. The equity shares of the Transferee Company are presently listed on BSE Limited (Bombay Stock Exchange). The Company is in the process of filing an application for listing its equity shares on National Stock Exchange of India Limited (National Stock Exchange).
- b) The Transferor Company, incorporated in 2007, has two ferroalloy furnaces and a 32 MW thermal power plant which is used as a captive unit for its ferroalloy operations and is operating at Hosapete Taluk of Ballari District.

- c) To establish value addition as well as local use of its manganese ore, the Transferee Company initially invested in the Transferor Company in 2007 and in order to obtain a majority share and control of management, the Transferee Company, later increased its stake to 70%, by virtue of which the Transferor Company became subsidiary of the Company on 25 October 2008. The Transferee Company presently holds 80.58% stake in the Transferor Company.
- d) The Transferor Company has, under a Facility Lease Agreement dated 1 February 2016, leased out both the ferroalloy plant and thermal power plant to the Transferee Company for a tenure of three years which is due to expire on 31 January 2019.
- e) The Objects Clause of Memorandum of Association of the Transferee Company inter-alia allows it to carry on any metallurgical or mineralogical operations and to establish an Electrometallurgical industry. The Transferee Company, in order to ensure long term viability of its business, seeks to set up a 1 Million Tonnes Per Year (MTPY) Integrated Steel Plant. In furtherance of this objective, the Transferee Company seeks to amalgamate the Transferor Company along with it.

II. RATIONALE

The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- a) The Transferee Company, is having Mining Leases No.2678 and No.2679 over an area of about 2,000 hectares for mining manganese and iron ores, which leases are due to expire on 31 December 2033. The Transferee Company seeks to have captive use of manganese ore in the existing ferroalloy plant of the Transferor Company and set up a 1 MTPY Integrated Steel Plant in the vicinity of the ferroalloy plant which will enable captive consumption of its iron ore also.
- b) In addition, on setting up the proposed integrated steel plant, Transferee Company will become eligible in terms of Rule 6(3) of the Mineral (Auction) Rules 2015, to participate in the auction of 'mines specified for end-use' by the Government of Karnataka.

- c) The amalgamation will result in administrative and operational rationalization, synergizing the existing expertise, greater efficiency and economical operations and promote organizational efficiencies.
- d) The amalgamation would result in greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
- e) The amalgamation will provide for pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company, which will help in increasing the competitiveness of the amalgamated Company.
- f) The amalgamation would result in greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently to fund growth opportunities, to maximize shareholder value.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the Transferor Company with Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Sections 230 and 232 and other relevant provisions of the Companies Act, 2013.

III. Parts of the Scheme

The Scheme is divided into following parts:

- (i) Part A - dealing with definitions of the terms used in this Scheme and sets out the share capital of the Transferor Company and the Transferee Company;
- (ii) Part B – dealing with the transfer and vesting of the undertaking of the Transferor Company with the Transferee Company;

- (iii) Part C - dealing with the accounting treatment for the amalgamation in the books of the Transferee Company; and with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

PART - A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 *“Act”* means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.2 *“Amalgamation”* means amalgamation of Transferor Company into Transferee Company.
- 1.3 *“Appointed Date”* means April 1, 2019 or such other date as may be approved by the Hon’ble Tribunal or any other appropriate authority;
- 1.4 *“Assets”* shall have the meaning assigned to it in Clause 3.1 of this Scheme;
- 1.5 *“Board of Directors”* or *“Board”* means the board of directors of the Transferor Company or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- 1.6 *“Effective Date”* means the last of the dates specified in Clause 15 of this Scheme. References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” or “upon the Scheme coming into effect” shall mean the Effective Date;
- 1.7 *“Equity Share(s)”* means equity shares of the Transferor Company or Transferee Company, as the case may be;

1. 8 *“The Scheme”* or *“this Scheme”* means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 14 of this Scheme, as approved or directed by the Tribunal or any other appropriate authority;
1. 9 *“Share Exchange Ratio”* shall have the meaning ascribed to it in Clause 10. 2 of this Scheme;
1. 10 *“Transferee Company”* means The Sandur Manganese & Iron Ores Limited, a company incorporated under the provisions of the Companies Act, 1913 having its registered office at ‘SATYALAYA’ Door No.266 (Old No.80), Ward No.1, Behind Taluk Office, Sandur - 583 119, Ballari District.
1. 11 *“Transferor Company”* means Star Metallics and Power Private Limited, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Metal & Ferro Alloys Plant, P. O. Mariyammanahalli, Vyasankere - 583 222, Hosapete Taluk, Ballari District.
1. 12 *“Tribunal”* or *“NCLT”* means the National Company Law Tribunal at Bengaluru constituted under section 408 of the Companies Act, 2013
1. 13 *“Undertaking of the Transferor Company”* means and includes all the properties, Assets, rights and powers of the Transferor Company; and all the debts, liabilities, duties and obligations of the Transferor Company.
1. 14 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.

2. CAPITAL STRUCTURE

- 2.1. The authorized, issued, subscribed and paid up share capital of the Transferor Company as on March 31, 2017 (Date of last Audited Balance Sheet) is as under:

Authorized share capital	Amount (In Rs.)
10,00,00,000 Equity Shares of face value of Rs.10/- each	1,00,00,00,000/-
Issued, Subscribed and Paid Up Share Capital	Amount (In Rs.)

9,33,79,705 Equity Shares of Rs.10/- each fully paid up	93,37,97,050/-
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Subsequent to March 31, 2017, there has been no change in the capital structure of Transferor Company.

- 2.2. The authorized, issued, subscribed and paid up share capital of the Transferee Company as on March 31, 2017 (Date of last Audited Balance Sheet) is as under:

Authorised Capital	Amount Rs.
1,40,00,000 equity shares of Rs.10/- each	14,00,00,000/-
1,00,000 16% Preference Shares of Rs.100 /- each	1,00,00,000 /-
Total	15,00,00,000/-
Issued, Subscribed and Paid-Up Capital	Amount Rs.
87,50,000 Equity Shares of Rs.10/- each fully paid up	8,75,00,000 /-

Subsequent to March 31, 2017, there has been no change in the capital structure of Transferee Company.

PART -B

TRANSFER AND VESTING OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

3. AMALGAMATION OF TRANSFEROR COMPANY

- 3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the Undertaking of the Transferor Company, including all properties, whether movable or immovable, freehold or leasehold, real or personal, corporal or incorporeal, material or intellectual, present, future or contingent, including but without being limited to all assets, lands, buildings, plant and machinery, furniture and fittings, capital work in progress and other fixed assets, current assets, receivables (whether in Indian Rupee or foreign currency), credits, investments, reserves, provisions, funds, and all utilities including electricity, telephones, facsimile connections, installations and utilities, benefits or agreements and arrangements, powers, authorities, allotments, approvals, authorizations, tenancies in relation to the offices and/or residential

properties for the employees or other persons, guest houses, trade and service names and marks, patents, copyrights and other intellectual property rights of any nature whatsoever, registrations, consents, privileges, liberties, and all the rights, title, interest, benefits, licenses (industrial or otherwise), municipal permissions, registrations, incentives, rebates, benefits and concessions to which the Transferor Company is entitled to in terms of the various statutes and/or schemes of the Union and State Governments including benefit of carry forward and set off of accumulated loss, allowance of unabsorbed depreciation, minimum alternate tax credit entitlement, sale tax benefit concessions and other benefits and credits to which the Transferor Company is entitled under Income-tax Act and advantages of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company (hereinafter referred to as “**Assets**”) and all secured and unsecured debts (whether undertaken in Indian Rupee or foreign currency) outstandings, liabilities (including contingent liabilities), duties and obligations shall be transferred to and vest in the Transferee Company so as to become on and from the Appointed Date the undertaking of the Transferee Company without any further act, instrument or deed.

- 3.2. Notwithstanding what is stated in Clause 3.1 above, it is expressly provided that such of the Assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred by the Transferor Company to the Transferee Company without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company to the end and intent that the ownership and property therein passes to the Transferee Company on such handing over. In terms of this Scheme, such transfer shall be effective from the Appointed Date.
- 3.3. In respect of such of the Assets belonging to the Transferor Company other than those referred to in sub-clauses 3.1 and 3.2 above, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and / or be

deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of section 230 of the Act.

- 3.4. In relation to those Assets belonging to the Transferor Company, which require separate documents of transfer, if any, the parties will execute the necessary documents, if and when required.
- 3.5. The transfer and vesting of all the Assets of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the Assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative Assets of the Transferor Company or part thereof on or over which they are subsisting on transfer to and vesting of such Assets in the Transferee Company and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any Assets of the 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 the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security. Similarly, the Transferee Company shall not be required to create any additional security over Assets of the Transferor Company vested in the Transferee Company under this Scheme for any loans, debentures, deposits or other financial assistance already availed by it and/or committed to be availed by it prior to the amalgamation and the charges, mortgages, and/or encumbrances in respect thereof shall not extend or be deemed to extend or apply to the Assets of the Transferor Company, as the case may be, vested in the Transferee Company under this Scheme.
- 3.6. Upon the coming into effect of this Scheme and on and from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also be transferred to and be deemed to stand transferred to the Transferee Company without any further act, instrument or

deed so as to become the debts, liabilities, duties and obligations of the Transferee Company pursuant to the provisions of section 230 of the Act. In respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen (though the Transferee Company may, if it deems appropriate, give notice to the creditors that the debts stand transferred to and assumed by the Transferee Company).

- 3.7. For the removal of doubts, it is clarified that to the extent that there are inter-company loans, 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 and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 3.8. The Transferee Company may at any time after the coming into effect of the Scheme, if so required under the provisions of any law for the time being in force or otherwise at its discretion, execute deeds of confirmation, in favor of secured creditors of the Transferor Company or in favour of any other party as directed by the Transferor Company with regard to any contract or arrangement to which the Transferor Company is a party or any other writings that may be necessary to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such confirmation in writing on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on behalf of the Transferor Company.
- 3.9. The provisions of this Scheme as they relate to the amalgamation of the Transferor Company with the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under 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 of the Income-tax Act, 1961, 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, 1961, shall prevail and the Scheme shall stand modified to the extent deemed necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

4. LEGAL PROCEEDINGS

If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the “**Proceedings**”) by or against the Transferor Company are pending on the Effective 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 been continued and enforced by or against the Transferor Company, in the absence of the Scheme.

5. CONTRACTS AND DEEDS

- 5.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licenses, permits, consents, registrations, engagements, sales tax deferrals and benefits exemptions, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges 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 Effective Date, shall remain in full force and effect against or in favor 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 or oblige or obligor thereto.

5.2. The Transferee Company shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that the Transferor Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

6. SAVING OF CONCLUDED TRANSACTIONS

6.1. The transfer of the Assets and Liabilities of the Transferor Company under Clause 3 above, the continuance of the Proceedings under Clause 4 above and the effectiveness of contracts, deeds, permits and consents under Clause 5 above, shall not affect any transaction or the Proceedings 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 the Transferor Company in respect thereto, as if done and executed on its behalf.

7. EMPLOYEES

7.1. All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company on the same terms and conditions on which they were employed without treating it as a break, discontinuance or interruption in service on the said date. Accordingly, the services of such employees for the purpose of the said Funds (as defined herein) or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

7.2. With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees of the Transferor Company (hereinafter referred to as the "**said Funds**"), upon the Scheme becoming effective, Transferee Company shall stand substituted for the Transferor Company in relation to the obligations to make contributions to the

said Funds in accordance with the provisions thereof in the respective trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to the said Funds shall become those of the Transferee Company. The dues of the employees of the Transferor Company relating to the said Funds shall be continued to be deposited therein accordingly.

PART C

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY

8. ACCOUNTING TREATMENT

- 8.1. The amalgamation shall be accounted for in the books of account of the Transferee Company according to the 'Pooling of Interests Method' of accounting as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India or as per Ind AS 103, 'Business Combinations' notified under section 133 of the Companies Act, 2013. Accordingly, all the assets and liabilities of the Transferor Company shall be recorded at their carrying amounts as at the Appointed Date in the books of the Transferee Company.
- 8.2. The face value of Equity Shares issued by the Transferee Company to the shareholders of the Transferor Company pursuant to this Scheme along with the existing paid up capital of the Transferee Company will be recorded as Equity Share Capital of the Transferee Company;
- 8.3. The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Company, prior to this Scheme becoming effective. Accordingly, if prior to this Scheme becoming effective, there is any reserve in the financial statements of the Transferor Company available for distribution whether as bonus shares or dividend or otherwise, the same shall also be available in the

financial statements of the Transferee Company for such distribution upon this Scheme becoming effective;

- 8.4. The balances of the Profit and Loss Accounts of the Transferor Company (as appearing in the books of accounts of the Transferor Company at the Appointed Date) shall be aggregated and added to or set-off (as the case may be) with the corresponding balance appearing in the financial statements of the Transferee Company;
- 8.5. Inter-company balances and investments, if any, shall be cancelled and shall be adjusted against the General reserves/balance in Profit and Loss Account;
- 8.6. The difference between the amount recorded as share capital issued by the Transferee Company and the amount of paid-up share capital of the Transferor Company shall be adjusted against the General Reserves/balance in Profit and Loss Account;
- 8.7. If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and reflect the effect thereof in its Capital Reserves/Goodwill as the case may be.

9. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 9.1. With effect from the Appointed Date and up to and including the Effective Date:
 - 9.1.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have been held and stood possessed of and shall hold and stand possessed of all of the Assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said Assets with utmost prudence until the Effective Date.
 - 9.1.2 All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company

or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.

- 9.2. On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities.
- 9.3. With effect from the date of the Board meeting of the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall carry on its business and activities with reasonable diligence, prudence and in the same manner as carried on before and shall not (without the prior written consent of the Transferee Company) undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking of the Transferor Company or any part thereof except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Company.
- 9.4. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

10. CANCELLATION OF CERTAIN SHARES AND ISSUE OF CONSIDERATION SHARES

- 10.1. The Transferee Company holds 7,52,40,000 (Seven Crore Fifty-Two Lakh Forty Thousand Only) shares constituting 80.58% of the issued, subscribed and paid up share capital of the Transferor Company. Upon the Scheme becoming effective, and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the aforesaid shares would stand cancelled.
- 10.2. Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Company, the Transferee Company shall, without any further act or deed, issue and allot to the shareholders of the Transferor Company, 1 (One) fully paid up equity share of Rs.10 each for every 72 (Seventy-two) fully paid-up equity share of Rs.10 each held by the shareholders in the Transferor Company, whose name is appearing in the Register of Members of the Transferor Company on such date (hereinafter referred to as 'Record Date') as may be determined by the Board of Directors of the Transferee Company.
- 10.3. The new equity shares to be issued to the members of the Transferor Company pursuant to clause 10.2 shall be in multiples of 1. Any fractional equity shares shall be rounded-off to next higher multiple of 1.
- 10.4. The Transferee Company equity shares to be issued and allotted as above shall be subject to the Memorandum and Articles of Association of Transferee Company and shall rank *pari passu* with the existing equity shares of Transferee Company in all respects including dividends.
- 10.5. Subject to the provisions of the Securities Contracts (Regulations) Act, 1956, the Securities and Exchange Board of India (SEBI) Act 1992 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the new equity shares to be issued by the Transferee Company pursuant to the Scheme shall be listed at all the Stock exchanges where the existing equity shares of Transferee

Company are listed. The Transferee Company shall take necessary steps for listing of these shares on these Stock Exchanges in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 10.6. Pursuant to provisions of Regulation 10(1)(d)(iii) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 which provides general exemption for acquisitions made pursuant to amalgamation, the requirement of making an open offer as envisaged in Regulations 3 and 4 would not be triggered by any of the shareholders of the Transferor Company consequent to the aforementioned issue of shares in the Transferee Company.

11. DISSOLUTION OF THE TRANSFEROR COMPANY

Subject to an order being made by the Hon'ble Tribunal under Section 230 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

12. AUTHORISED SHARE CAPITAL

- 12.1. Upon the Scheme becoming effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on their authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised Share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorised share capital.
- 12.2. 'Clause V' of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 61 to 64 and other applicable provisions of the Companies Act, 2013 by deleting the existing Clause and replacing it by the following:

“The Authorised Share Capital of the Company is Rs.1,15,00,00,000/- (Rupees One Hundred and Fifteen Crore Only) divided into

- i. 11,40,00,000 Equity Shares of Rs.10/- each and*
- ii. 1,00,000 Preference Shares of Rs.100/- each*

With the rights, privileges and conditions attached thereto. The Company has power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the company to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the company or the legislative provisions for the time being in force at that time.”

12.3. The approval of this Scheme by the shareholders of the Transferee Company under sections 230 and 232 of the Act, whether at a meeting or otherwise, shall be deemed to have the approval under sections 13, 14, 61, 64 and other applicable provisions of the Companies Act, 2013 and any other consents and approvals required in this regard.

12.4. Clause 5 of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 14 and 230 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

“The Authorized Share Capital of the Company is Rs.1,15,00,00,000/- (Rupees One Hundred and Fifteen Crore Only) divided into

- i. 11,40,00,000 Equity Shares of Rs.10/- each and*
- ii. 1,00,000 Preference Shares of Rs.100/- each*

With the rights, privileges and conditions attached thereto. The Company has power from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and attach thereto respectively such preferential, deferred, qualified or other special rights,

privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the company to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the company or the legislative provisions for the time being in force at that time."

- 12.5 The approval of this Scheme by the shareholders of the Transferee Company under sections 230 and 232 of the Act, whether at a meeting or otherwise, shall be deemed to have the approval under the applicable provisions of the Act and any other consents and approvals required in this regard.

13. APPLICATIONS

The Transferee Company shall make necessary applications to Hon'ble Tribunal for sanctioning this Scheme pursuant to section 230 and other applicable provisions of the Act and for an order or orders for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. The Transferor Company and the Transferee Company shall also apply for such other approvals as may be necessary in law, if any, for bringing any provisions of this Scheme into effect. Further, the Transferor Company and the Transferee Company shall be entitled to take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

14. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 14.1. 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 authorize, including any committee or sub-committee thereof, may consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Hon'ble Tribunal, or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them for any reason whatsoever, including due to change in law. 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 authorize, including any committee or sub-committee thereof, shall be

authorized to take all such steps as may be necessary, desirable or proper to give effect to the Scheme or resolve any doubts, difficulties or questions whether by reason of any directive or orders 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.

- 14.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Company and the Transferee Company are authorized to determine to take all such steps and give all such directions as are necessary including directions dealing with the approvals required to be taken and directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Transferor Company and the Transferee Company, in the same manner as if the same were specifically incorporated in this Scheme.

15. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS AND EFFECTIVE DATE OF SCHEME

- 15.1. The Transferee Company's shares are listed with BSE, thus pursuant to the undertaking given by the Transferee Company at the time of approval of the Scheme by BSE, the present scheme is subject to the approval of the majority of public shareholders through postal ballot and e-voting as required under para 1(A)(9)(a) and (b) of SEBI Circular dated March 10,2017.

- 15.2. The Scheme is conditional upon and subject to:

15.2.1. The sanction or approval under any law of the Hon'ble Tribunal, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

15.2.2. Approval of the Scheme by the requisite majority of the respective members and such class of persons of the Transferor Company and the Transferee Company

pursuant to the provisions of Sections 230 and 232 of the Act and the provisions of Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017(as amended from time to time) to the extent considered applicable.

15.2.3. The Scheme being sanctioned pursuant to Section 230 of the Act by the Hon'ble Tribunal on the petition by the Transferee Company as provided under the said provisions of the Act.

15.2.4. Receipt of such other approvals for the carrying on of the Undertaking by the Transferee Company, as identified by the boards of directors of the Transferee Company and Transferor Company (or authorised committees thereof).

15.3. This Scheme, although to come into operation from the Appointed Date, shall not become effective until the later of the following dates, namely:

15.3.1. The last of the dates on which the last of the aforesaid consents, approvals, resolutions and orders as mentioned in Clause 16.1 shall be obtained or passed; or the last of the dates on which all necessary certified copies of orders of the Hon'ble Tribunal sanctioning the Scheme pursuant to sections 230 of the Act shall be duly filed with the Ministry of Corporate Affairs / appropriate Registrar of Companies. The last of such dates shall be the "**Effective Date**" for the purpose of this Scheme.

15.3.2. It is clarified that on the approval of the Scheme by the requisite majority of members and creditors of the Transferor Company and the Transferee Company pursuant to Section 230 (3) to (6) of the Act as aforesaid, it shall be deemed that the said members and creditors have also resolved and accorded all relevant consents under any other provisions of the Act to the extent the same may be considered applicable. It is further clarified that there will be no need to pass any separate shareholders' resolution(s) under such other provisions of the Act.

16. POST SCHEME CONDUCT OF OPERATIONS

Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all Bank Accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the Transferor Company and the Transferee Company concerned. Pursuant to the Scheme becoming effective the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate tax), and to claim tax benefits under the said tax laws, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

17. COSTS

Upon coming into effect of this Scheme, the Transferee Company shall bear and pay all costs, charges, expenses and taxes, including duties and levies in connection with the Scheme.