

SCHEME OF ARRANGEMENT

BETWEEN

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

AND

DALMIA BHARAT REFRACTORIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013)

("the Scheme")

PREAMBLE

(A) **Dalmia Bharat Sugar and Industries Limited** is a public company limited by shares, incorporated on 01st November, 1951 under the provisions of the Indian Companies Act, 1913, having its registered office at Dalmiapuram, District Tiruchirappalli, Tamil Nadu - 621651 ("**DBSIL**" or "**Demerged Company**"). The equity shares of DBSIL are listed on BSE Limited and National Stock Exchange of India Limited.

DBSIL is engaged in manufacturing of sugar, generation of power, manufacturing of industrial alcohol and refractory products, and providing travel services. DBSIL has a refractory unit i.e. Dalmia Magnesite Corporation ("**DMC Unit**") which is engaged in the business of manufacturing of refractories. DBSIL also has a separate business unit named as Govan Travels ("**GT Unit**"), which is engaged in the business of providing tour and travel services.

The main objects of the Demerged Company as per its Memorandum of Association are as follows:

The objects for which the Company is established.

- 1. To manufacture, produce, purchase, sell, trade, import, export, treat, boil, refine, prepare, brew and generally to deal with either as principal or agent either solely or in partnership with others in all varieties of sugar, sugar candy, jaggery, khandsari*



sugar, natural brown sugar, icing sugar, breakfast sugar, bura sugar, demerera, sugar beet, sugar cane, molasses, syrups, melada, alcohol, ethanol, spirits and all products and by-products thereof such as confectionery, biscuits, chocolates, aerated waters, glucose, honey, breakfast cereals, snacks, table top products, edible oils, bakery products, wheat and wheat products, spices, pulses, rice, ready to cook, heat and eat foods, frozen foods, beverages, pickles and chutneys, dehydrated fruits and vegetables, tinned fruits, dry fruits, candies, milk and milk products, bagasses, bagasse boards, paper, paper pulp, butyl alcohol, acetone, carbon-di-oxide, hydrogen, potash, cane wax, fertilizers, cattle feed and food products generally.

2. To manufacture, produce, purchase, sell, trade, import, export and generally to deal in all types of sugar, sugarcanes and high starch agro products, agro based products, ethanol, alcohol, potable liquor, extra neutral alcohol, chemicals, distillers, oil refiners, dye makers, gas makers, electricity, carbon, hydrocarbons, liquid or gaseous petroleum and petroleum products, minerals and the products or the bye-products thereof or its feed stocks or which may be derived, produced, prepared, developed, compounded, made or manufactured there from and substances obtained by mixing any of the foregoing with other substances and any and all kinds, types, purposes, grades, forms and formulations of alcohol products including rectified spirit, sanitizer(s), disinfectants and to put to commercial use and otherwise deal in any manner in all or any of them and their allied products and materials.
3. To carry on the business of generation, co-generation, captive consumption, sale, distribution of all forms of energy / power by installation of power plant or otherwise, from hydel, solar, wind farm, conventional and/or nonconventional sources, setting up of facilities for distribution of all forms of energy / power, to buy, sell energy / power from/to any person, Government of India, State Government(s), Municipal or local authority(ies), company or person(s) in India or elsewhere and to transfer power to units/plants of its own group or otherwise for captive use.
4. To manufacture, produce, mine, purchase, sell, treat or otherwise deal with bricks, tiles, pipes, pottery, earthen-ware, sanitary-ware, china and terracotta, dolomite, graphite, refractories and ceramic-ware, fire clay, china clay, magnesite, quartzite and all other refractory materials, chemicals of all kinds including acids, alkalis and



salts, manures, fertilizers, dyes, caustic soda, soda ash, sulphur, sulphuric acid, sulphates, sulphur pyrites, alums, dry ice, catechu, chlorine, colours, paints, varnishes, and other allied products.

The objects necessary in furtherance of objects specified in III. (A)

- 1. To carry on the business as travel agents, tour operators, clearing and forwarding agents and the business of booking and reserving accommodation, seats, compartments and berths on railways, ships, boats, aeroplanes, omnibuses, motor cars, motor buses and to issue tickets for the same and to hire or own taxies, motor cars and all kinds of public transport/vehicles launches and boats.*

(B) Dalmia Bharat Refractories Limited is a public company limited by shares, incorporated on 4th October, 2006 under the provisions of the Companies Act, 1956, having its registered office at Dalmiapuram, District Tiruchirappalli, Tamil Nadu - 621651 ("**DBRL**" or "**Resulting Company**"). The equity shares of DBRL are listed on Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited.

As per the object clause of Memorandum of Association, DBRL has the object to carry on the business of miners, manufacturers, research and development, producers, processors, importers, exporters, etc, dealing in cement, any kind of building material and refractory mineral and other products and byproducts, to act a tour and travel service provider, to acquire business and to make investments, conducting business of tyres, along with other main objects,

The main objects of the Resulting Company as per its Memorandum of Association are as follows:

- 1. To carry on the business of produces, miners, manufacturers, research and development, producers, processors, importers, exporters, sellers, application service providers, dealers, agents, distributors, commission agents for, crush, win, quarry, raise, otherwise deal in cement, any kind of building material and refractory mineral and other products and by-products and substitutes, for all or any of them or any connected with building material, cement, refractory, to treat and utilize any waste arising out of it, to buy and assemble all kind of plant and machinery, tools,*



equipments in this regard and to carry on any other ancillary agreement in this regard.

- 2. To purchase or otherwise acquire or take on lease for exploration or dealing in or working of or for mining any land, mining undertaking, mines, quarries, wells, tanks, ponds, river, river bed, or sea and to carry on the business of mining operations and to explore, prospect ,quarry, mine, dress, reduce, draw, extract, purify, calcite, smelt, refine, manufacture, otherwise acquire, sell or otherwise dispose of or deal in all quartzite, bauxite, fire clay and other mining material for which mine in relation to the mine lease and production of natural resources and materials derived from natural resources.*
- 3. To evaluate, acquire, invest or otherwise purchase all kinds of shares, properties, goods, stocks, moveable and immoveable property in and /or outside India by way of purchase, slump exchange, merger, demerger, reconstruction of business, under Insolvency and Bankruptcy Code 2016, whether through the approval of National Company Law Tribunal or otherwise, for the growth and expansion of the company.*
- 4. To carry on the business of makers, manufacturers, processors, producers, importers, exporters, buyers, sellers, dealers, stockists, distributors, suppliers, agents, merchants, fabricators, processors and concessionaires, within and outside India, of all kinds of rubber, tyres, tubes, flaps, tyre cord, vehicles, wheels, automobile parts and components, automobile accessories, automobile consultants and the compounds, substances, derivatives, substitutes and by-products of the aforesaid materials and to prepare, press, vulcanize, repair and retreat such of them as are considered expedient and to do any other activity ancillary to this.*
- 5. To carry on the business of spinners, weavers and manufacturers, sellers, traders within India and outside India, of all kind of textiles including but not limited to cotton, wool, silk, flax, hemp, rayon, nylon and other fibrous materials and man-made fibres and to transact all manufacturing, curing, preparing, dyeing, colouring and bleaching processes and to purchase and trend the raw materials and manufactured articles, to and to do any other activity ancillary to this.*
- 6. To carry on the business of Manufacturers, seller, and dealers, within India and*



outside India, in Iron, Steel, Aluminium, Brass, Copper and Copper alloy, bimetal, Lead, Silver and all other ferrous and non-ferrous metal metals, steels, bimetal products, copper and copper alloys, alloy steels special and stainless steels, shaftings, bars squares from scrap, sponge iron, prerduced pillers billets including manufacturing, processing and fabricating of pipes, utensil wires nails wire ropes, wire products screws expanded metal hinges, plates hoops angles pipes, seamless or otherwise, tubes, sheets, rods, squares, stripes, plates, coils, condensers, seals wires, ingots, circles and other manufactures, by products and parts in all their respective branches and to do any other activity ancillary to this.

7. To carry on the business as owners, investors, promoters, repairs and renovations, dealers, agents, developers and brokers of real estate, land, buildings, estates, hereditaments, factories, roads, highways, bridges, canals, dams, ports, reservoirs, or any other structural or architectural work of any kind whatsoever; whether rural or urban, residential, commercial or industrial, for which purpose to acquire or purchase, take on lease or in exchange, hire or by any other means obtain ownership of and/or options or licence over any freehold or other property of any tenure, estate or interest, or any rights, privileges or easements over or in respect of any property, land or building and to do any other ancillary activity in this regard.
8. To carry on the business of purchasing, selling, distributing, trading, acting as an agent, franchising, collaborating exporting, importing, merchandising, manufacturing, designing, packaging and dealing with all kinds of products, goods, commodities, merchandise, accessories and equipment's relating to, on the Company's online portals or websites as well as through ecommerce, m-commerce, internet, intranet, stores, stalls, or kiosks set up across India or abroad or in any other manner.
9. To carry on the business as travel agents, tour operators, clearing and forwarding agents, and the business of booking and reserving accommodation, seats in any mode of transport, whether for India or outside India, to hire and lease taxis and to all activities ancillary for this activity.
10. To carry on the business of buying, selling, reselling, importing, exporting,



transporting, storing, developing, promoting, marketing or supplying, trading, dealing, in any manner whatsoever, in all goods, which are required and support the above objects, on retail as well as wholesale in India.

RATIONALE FOR THE SCHEME

- (A) The Scheme provides for demerger of DMC Unit and GT Unit (being non-core businesses of DBSIL) from DBSIL and transfer and vesting of the same to DBRL which will yield beneficial results and enhanced value creation for their respective shareholders and better security and protection for their lenders and employees.
- (B) The management of DBSIL is of the view that segregation of the DMC Unit and GT Unit from DBSIL will lead to the following benefits:
- Segregation of non-core businesses from sugar business;
 - Efficient and focused management individually on DMC Unit, GT Unit, and sugar business; and
 - Increased flexibility for value extraction and fund raise.
- (C) The management of DBRL is of the view that acquisition of the DMC Unit and GT Unit will lead to the following benefits:
- Focus on the refractory operations carried out by the DMC Unit by demerging it from DBSIL for whom this is currently a non-core business.
 - Focus on the business as travel agents, tour operators, clearing and forwarding agents and to do all activities ancillary to these activities which are related to GT Unit; and
- (D) This Scheme shall be in the beneficial interest of all the stakeholders and the shareholders of the Demerged Company and the Resulting Company. In these circumstances, it is considered desirable and expedient to demerge DMC Unit and GT Unit from the Demerged Company to the Resulting Company in the manner and on the terms and conditions stated in this Scheme.



- (E) The respective Board of Directors (*as defined hereinafter*) of DBSIL and DBRL after detailed deliberation in their meetings held on February 02, 2024, approved this Scheme, for implementing the proposed demerger of the DMC Unit and GT Unit of DBSIL to DBRL.
- (F) This Scheme is proposed to be presented before the Hon'ble NCLT (*defined hereinafter*) by the Demerged Company and the Resulting Company for getting the same sanctioned by the Hon'ble NCLT.
- (G) **PARTS OF THE SCHEME**

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions and interpretations used in this Scheme;
- (ii) **PART II** deals with particulars of share capital of DBSIL and DBRL;
- (iii) **PART III** deals with provisions relating to the transfer and vesting of Demerged Undertakings of Demerged Company to Resulting Company; and
- (iv) **PART IV** deals with general terms and conditions and other miscellaneous provisions applicable to this Scheme.

TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) read with other applicable provisions of the Income Tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of Section 2(19AA) of the Income Tax Act, 1961, or corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961 or such newly enacted law or new legislation. Such modifications will, however, not affect the other provisions of the Scheme.

NO ARRANGEMENT WITH CREDITORS



The Scheme in no way, is a scheme of compromise or arrangement with the creditors and is not, in any way, adversely affecting the rights of the creditors because the aggregate Assets of the Demerged Company and the Resulting Company are more than sufficient to meet the Liabilities owed to the respective creditors in full. The present Scheme is not a scheme of corporate debt restructuring as envisaged under Section 230(2)(c) of the Act or a scheme of compromise or arrangement with creditors.

PART I – DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

In this Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 including the rules and regulations made thereunder, and any alterations, modifications, amendments made thereto and/or any re-enactment thereof, as applicable and for the time being in force;
- 1.2 **“Applicable Law”** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, circulars, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.3 **“Appointed Date”** shall mean July 1, 2023 or such other date as may be agreed by the Board of Demerged Company and Resulting Company or as the Hon’ble NCLT may decide/approve, being the date with effect from which this Scheme shall become effective and/or be deemed to have become effective;
- 1.4 **“Assets”** means and includes without limitation, assets or properties of every kind, nature, character and description whether movable, immovable, tangible, intangible, whether owned or leased or otherwise acquired by or in the possession of the relevant company;



- 1.5 **"Board of Directors" or "Board"** in relation to Demerged Company and Resulting Company, as the case may be, means the Board of Directors of such company, and shall include a committee duly constituted and authorized by each of the companies and/or their respective Boards, for the purposes of various matters pertaining to the Scheme and/or any other related, connected or incidental matters;
- 1.6 **"Contracts"** means all contracts, agreements, leases, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, undertakings, commitments or other legally binding arrangement or instruments, whether written or otherwise, of whatsoever nature;
- 1.7 **"DBSIL" or "Demerged Company"** means Dalmia Bharat Sugar and Industries Limited (CIN: L15100TN1951PLC000640), a public company limited by shares, incorporated on 01st November, 1951 under the provisions of the Companies Act, 1913, and having its registered office at Dalmiapuram, District Tiruchirappalli, Tamil Nadu- 621651;
- 1.8 **"DBRL" or "Resulting Company"** means Dalmia Bharat Refractories Limited (CIN: L26100TN2006PLC061254), a public company limited by shares, incorporated on 4th October, 2006 under the Companies Act, 1956 and having its registered office at Dalmiapuram, District Tiruchirappalli, Tamil Nadu- 621651 (which expression, unless repugnant to the context or meaning thereof, shall include its successors and permitted assigns);
- 1.9 **"Demerged Undertaking 1" or "DMC Unit"** means the refractory business of Demerged Company which is engaged in the business of manufacturing of refractories and comprising *inter alia* of its undertakings, Assets, Liabilities, Contracts, properties, investments and employees, of whatsoever nature and kind, and wheresoever situated, which relate thereto, or are necessary thereof on a going concern basis, including but not limited to the following:
- a) All Assets, including plant and machinery, mines, equipment, furniture, fixtures, vehicles, raw material, stocks and inventory (including work-in-process), packing material, stationery, all land (including freehold, leasehold, leave and licensed



land if any, but not including land parcel identified as spoil bank having survey numbers 108/4, 109/2, 109/3, 110/1, 110/2, 124, 125/1, 126,127, 128, 129/1A, 1294A, situated at Velakapatti Village, Omalur Taluk), buildings, any tenancies in relation to land and buildings, fixed assets, capital work in progress, appliances, accessories, parking rights, advances and deposits with any relevant Governmental Authority or others, loans, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, investments and other funds along with accrued interest thereon and all rights, title, interest, easement and claims in relation thereto, whether real, personal or mixed, corporeal or incorporeal, in possession or otherwise, tangible or intangible, present or future, actual or contingent of whatsoever nature pertaining to the refractory business;

- b) All valid and subsisting Contracts, to which Demerged Company is a party, exclusively relating to its refractory business or otherwise identified to be for the benefit of the same;
- c) All Intellectual Property exclusively used by or held for use by Demerged Company in relation to its refractory business, whether or not registered, owned or licensed, including any form of Intellectual Property which is in progress;
- d) All Permits, quotas, entitlements, claims, , liberties, advantages, easements, tenancies including tenancy rights in relation to offices and residential properties, if any, privileges and similar rights, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any relevant Governmental Authority including but not limited to the relevant licenses, electricity, water supply and environment related approvals and connections, telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, Permits, and pending applications for Permits, renewals or extension thereto that exclusively



relate to, are issued or held for use by Demerged Company pertaining to its refractory business;

- e) All benefits, entitlements, exemptions, payment deferrals, incentives and concessions under incentive schemes and policies including duties, cess, levies, refunds, interest credits and claims under customs, excise, service tax, VAT, GST, DGFT, sales tax and entry tax and income tax laws (including but not limited to credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, brought forward losses and unabsorbed depreciation as per the books of account, etc.), subsidy receivables or grants from any relevant Governmental Authority, all other direct tax benefit/exemptions/deductions, sales tax deferrals, to the extent statutorily available/allocable/referable or related to Demerged Company pertaining to its refractory business, along with associated obligations;
- f) All Employees of Demerged Company pertaining to its refractory business, and any payment made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Employees of Demerged Company, together with such of the investments made by these funds, which are in respect of such Employees of Demerged Company;
- g) All legal proceedings (whether civil, criminal or taxation related) or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company or proceedings or investigations to which Demerged Company is party to, that pertain to its refractory business, if so ascertainable, whether pending/ongoing or which may be instituted any time in the future, to the extent legally permitted;
- h) All Records pertaining to its refractory business; and
- i) all Liabilities of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or



however arising, whether secured or unsecured, of Demerged Company pertaining to the refractory business including:

- i. all the debts, duties, obligations and liabilities, including contingent liabilities which arise out of the activities or operations of Demerged Company pertaining to the refractory business;
- ii. the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of Demerged Company pertaining to the refractory business.

It is intended that the definition of the Demerged Undertaking 1 under this clause would enable the transfer of all properties, Assets and Liabilities of the Demerged Company relating to the DMC Unit, on a going concern basis to the Resulting Company pursuant to the Scheme.

Any question that may arise as to whether a specific Asset, Permit, Employee, Contract, Records, Intellectual Property or any Liability pertains or does not pertain to the DMC Unit or whether it arises out of the activities or operations of the DMC Unit or not or whether the same shall be transferred or not shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company or any committee thereof or authorized personnel.;

1.10 "Demerged Undertaking 2" or "GT Unit" means the tours and travel service business of Demerged Company comprising *inter alia* of its undertakings, Assets, Liabilities, Contracts, properties, investments and employees, of whatsoever nature and kind, and wheresoever situated, which relate thereto, or are necessary thereof on a going concern basis, including but not limited to the following:

- a) All Assets, including computer (*desktop and/or laptop*), equipment including office equipment, furniture, fixtures, vehicles, , stationery, all land (including freehold, leasehold, leave and licensed land if any), buildings, any tenancies in relation to land and buildings, appliances, accessories, parking rights, advances and deposits with any relevant Governmental Authority or others, loans, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, cash, balances with banks, cheques, bills of exchange and



other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, investments and other funds along with accrued interest thereon and all rights, title, interest, easement and claims in relation thereto, whether real, personal or mixed, corporeal or incorporeal, in possession or otherwise, tangible or intangible, present or future, actual or contingent of whatsoever nature pertaining to the Govan travels business;

- b) All valid and subsisting Contracts, to which Demerged Company is a party, exclusively relating to Govan Travels or otherwise identified to be for the benefit of the same;
- c) All Intellectual Property exclusively used by or held for use by Demerged Company in relation to Govan Travels, whether or not registered, owned or licensed, including any form of Intellectual Property which is in progress;
- d) All Permits (including (i) accreditation by International Air Transport Association, and Department of Tourism and Ministry of External Affairs, Government of India; (ii) membership of International Travel associations including Indian Association of Tour Operators, Travel Agents Association of India, Advanced Technology Attachment, American Society of Travel Advisors, United Federation of Travel Agents' Associations), quotas, entitlements, claims, liberties, advantages, easements, tenancies including tenancy rights in relation to offices and residential properties, if any, privileges and similar rights, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any relevant Governmental Authority including but not limited to the relevant licenses, electricity, water supply and environment related approvals and connections, telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, Permits, and pending applications for Permits, renewals or extension thereto that exclusively relate to, are issued or held for use by Demerged Company pertaining to Govan Travels;



- e) All benefits, entitlements, exemptions, payment deferrals, incentives and concessions under incentive schemes and policies including duties, cess, levies, refunds, interest credits and claims under customs, service tax, VAT, GST, sales tax and entry tax and income tax laws (including but not limited to credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, brought forward losses and unabsorbed depreciation as per the books of account, etc.), subsidy receivables or grants from any relevant Governmental Authority, all other direct tax benefit/exemptions/deductions, sales tax deferrals, to the extent statutorily available/allocable/referable or related to Demerged Company pertaining to Govan Travels, along with associated obligations;
- f) All Employees of Demerged Company pertaining to Govan Travels and any payment made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits; existing for the benefit of such employees of Demerged Company, together with such of the investments made by these funds, which are in respect of such Employees of Demerged Company;
- g) All legal proceedings (whether civil, criminal or taxation related) or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company or proceedings or investigations to which Demerged Company is party to, that pertain to Govan Travels, if so ascertainable, whether pending/ongoing or which may be instituted any time in the future, to the extent legally permitted;
- h) All Records, pertaining to Govan Travels; and
- i) all Liabilities of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, whether secured or unsecured, of Demerged Company pertaining to the Govan Travels including:
- i. all the debts, duties, obligations and liabilities, including contingent liabilities



which arise out of the activities or operations of Demerged Company pertaining to the Govan Travels;

- ii. the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of Demerged Company pertaining to the Govan Travels.

It is intended that the definition of the Demerged Undertaking 2 under this clause would enable the transfer of all properties, Assets and Liabilities of the Demerged Company relating to the GT Unit, on a going concern basis to the Resulting Company pursuant to the Scheme.

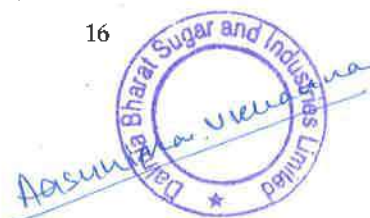
Any question that may arise as to whether a specific Asset, Permit, Employee, Contract, Records, Intellectual Property or any Liability pertains or does not pertain to the Govan Travels or whether it arises out of the activities or operations of the Govan Travels or not or whether the same shall be transferred or not shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company or any committee thereof or authorized personnel;

- 1.11 **"Demerged Undertakings"** means Demerged Undertaking 1 or DMC Unit and Demerged Undertaking 2 or GT Unit, collectively;
- 1.12 **"Effective Date"** shall mean the last of the dates on which all the conditions and matters referred to in Clause 23 of this Scheme have been fulfilled or are waived by the Board of both Demerged Company and Resulting Company. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "coming into effect of this Scheme" shall mean the "Effective Date";
- 1.13 **"Employees"** means employees whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/trainees, both on-shore and offshore;
- 1.14 **"Encumbrance"** means any (i) charge, lien (statutory or other), or mortgage, any easement, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, , including any restriction on use, voting, Transfer, receipt of income or exercise; or (iii) any equity, assignments



hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above, and the term **"Encumbered"** shall be construed accordingly;

- 1.15 **"Governmental Authority"** means any applicable central, state or local government or semi-government, legislative, executive, regulatory or administrative authority, local authority, agency or commission or any court, tribunal, board, department, commission, entity, agency, bureau, instrumentality, official, judicial or arbitral body, statutory body or Stock Exchange(s), including but not limited to the Reserve Bank of India ("RBI") and the Securities and Exchange Board of India ("SEBI") or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;
- 1.16 **"Income Tax Act"** means the Income Tax Act, 1961, including the rules made thereunder, and any amendments, alterations, modifications made thereto or any re-enactments thereof for the time being in force;
- 1.17 **"Intellectual Property"** means all intellectual properties including trademarks, service marks, logos, trade names, domain names, database rights, design rights, rights in know-how, goodwill, trade secrets, copyrights, moral rights, confidential processes, patents, inventions and any other intellectual property or proprietary rights (including rights in computer software) of like nature;
- 1.18 **"Liability"** means any liability, loan, borrowings, financial assistance, indebtedness, obligation, interest, penalty, commitment, expense, claim, deficiency, guarantee or endorsement of or by any person of any type, known or unknown, asserted or unasserted and whether accrued, absolute, contingent, matured or unmatured, including any liability for Taxes;
- 1.19 **"National Company Law Tribunal" or "NCLT"** means the National Company Law Tribunal constituted by the Central Government under section 408 of the Act having jurisdiction in relation to Demerged Company and Resulting Company;
- 1.20 **"New Equity Shares"** means the equity shares of the Resulting Company issued and allotted pursuant to the Scheme;



- 1.21 **"Parties"** shall mean collectively the Demerged Company and the Resulting Company and **"Party"** shall mean each of them, individually;
- 1.22 **"Permits"** means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, allotments, concessions, no-objection certificates, certifications, registrations, whether governmental, statutory, regulatory under Applicable Law;
- 1.23 **"Record Date"** means the date fixed by the Board of Directors of the Demerged Company and the Resulting Company for the purpose of determining the shareholders of the Demerged Company to whom New Equity Shares will be allotted pursuant to the Scheme;
- 1.24 **"Records"** means all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records and all other information on whatever media stored, whether in physical or electronic form;
- 1.25 **"Registrar of Companies"** means the jurisdictional Registrar of Companies of Demerged Company and the Resulting Company;
- 1.26 **"Remaining Business"** means all the undertakings, businesses, activities and operations of Demerged Company, but excluding the DMC Unit and GT Unit as defined in sub clause 1.9 and 1.10 above;
- 1.27 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form as submitted to the Hon'ble NCLT or this Scheme with such modification(s), if any made, as per Clause 21 of the Scheme;
- 1.28 **"SEBI Circular"** shall mean the circular issued by the SEBI, being Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;



- 1.29 **"Stock Exchange(s)"** mean BSE Limited, National Stock Exchange of India Limited, Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited, collectively;
- 1.30 **"Taxation" or "Tax" or "Taxes"** means all forms of taxes (whether direct or indirect) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to Demerged Company and Resulting Company and all penalties, charges, costs and interest relating thereto; and
- 1.31 **"Tax Laws"** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, goods and services tax or any other levy of similar nature.

2. CONSTRUCTION

- 2.1 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 Act, the Income Tax Act, the Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996, Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.
- 2.2 In this Scheme, unless the context otherwise requires:
- words denoting singular shall include plural and vice versa;
 - headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
 - references to the word "include" or "including" shall be construed without limitation;



- d) a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- e) reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- f) references to a person include any individual, firm, body corporate (whether incorporated or not), Governmental Authority, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether having separate legal personality or not).
- g) references to any of the terms, taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- h) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.
- i) unless otherwise defined, the reference to the word "days" shall mean calendar days.
- j) references to dates and times shall be construed to be references to Indian dates and times.
- k) any reference to any statute or statutory provision shall include:
- (i) all subordinate legislations made from time to time under that provision (whether amended, modified, re-enacted or consolidated from time to time or not) and any retrospective amendment; and
- (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.



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PART II - SHARE CAPITAL

3. SHARE CAPITAL

3.1 The authorized, issued, subscribed and paid-up share capital of Demerged Company as on December 31, 2023 is as under:

Share Capital	INR crores
Authorized Share Capital	
11,52,26,820 (11,47,26,820) Ordinary equity shares of Rs. 2/- each	23.45
8,52,73,180 (8,52,73,180) Unclassified equity shares of Rs 2/- each	17.05
Total	40.50
Issued, Subscribed and Fully Paid Up Share Capital	
8,09,39,303 (8,09,39,303) ordinary equity shares of Rs. 2/- each	16.19
Total	16.19

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up capital of the Demerged Company.

3.2 The authorized, issued, subscribed and paid-up share capital of Resulting Company as on December 31, 2023 is as under:

Share Capital	INR crores
Authorized Share Capital	
20,00,00,000 equity shares of Rs. 10/- each	200
10 redeemable preference shares of INR 10/- each	0.00001
Total	200.00001
Issued, Subscribed and Paid-up Share Capital	
4,42,00,107 equity shares of Rs. 10/- each	44.20
1 redeemable preference share of INR 10/- each	0.000001
Total	44.200001



Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up capital of the Resulting Company.

- 3.3 The Demerged Company and Resulting Company may, if required for the purpose of their respective businesses, during the pendency of the Scheme, from time to time, in accordance with the Act, rules and regulations framed by SEBI including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other Applicable Laws, issue securities to any persons (including by way of a rights issue, preferential allotment or bonus issue), in the normal course of business.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 21 of this Scheme, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

PART III – TRANSFER AND VESTING OF DEMERGED UNDERTAKINGS TO THE RESULTING COMPANY

TRANSFER AND VESTING OF DEMERGED UNDERTAKINGS

- 5.1 Upon the Scheme becoming effective and with effect from the opening of business hours of the Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act, the whole of the Demerged Undertakings of the Demerged Company shall stand demerged, transferred and vested in the Resulting Company on a going concern basis and all Assets, Liabilities, Contracts, Employees, Permits, Records, no objection certificates, approvals, credentials, litigations, etc. of the Demerged Undertakings shall, without any further act, instrument or deed, stand demerged, transferred to and vested in or be deemed to have been demerged, transferred to and vested in the Resulting Company, so as to become as and from the Appointed Date, the Assets, Liabilities, Contracts, Employees,



Permits, Records, no objection certificates, approvals, credentials, litigations, etc. of the Resulting Company by virtue of, and in the manner provided in this Scheme.

5.2 ASSETS AND LIABILITIES

Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

5.2.1. All the movable Assets pertaining to the Demerged Undertakings capable of being transferred to and vested by delivery, including plant and machinery and Records, or which are incorporeal property shall be handed over by physical or constructive delivery (together with duly executed transfer forms or other documents as may be required) to Resulting Company along with such other documents as may be necessary or by manual/constructive delivery of possession and/or by endorsement and delivery, as appropriate in relation to the Asset, towards the end and intent that the property therein passes to Resulting Company on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of Resulting Company accordingly. The investments of the Demerged Company, relating to the Demerged Undertakings (if any) held in dematerialized form will be transferred to Resulting Company by issuing appropriate delivery instructions to the depository participant of the Demerged Company and Resulting Company, as may be required. The investments of the Demerged Company, relating to the Demerged Undertakings (if any) held in physical form will be transferred to Resulting Company by execution of duly stamped transfer forms by the Demerged Company and Resulting Company and delivery of the relevant certificates reflecting ownership of such investments by the Demerged Company to the Resulting Company. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Demerged Company and Resulting Company or any committee thereof or authorized personnel, being a date after the sanction of the Scheme by the NCLT.



5.2.2. The movable Assets pertaining to the Demerged Undertakings, other than those specified in sub clause 5.2.1 above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, investments (other than those covered in sub clause 5.2.1) and deposits including deposits paid in relation to outstanding litigations, if any, with any Governmental Authority, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested in as the property of Resulting Company. The Resulting Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should return the investment, pay the interest, debt, loan or advance or make good the same or hold the same to its account and that the right of Resulting Company to recover or realise the same is in substitution of the right of Demerged Company and that appropriate entry should be passed in its respective books to record the aforesaid charges. Any document of title pertaining to the Assets of the Demerged Undertakings shall also be deemed to have been mutated and recorded as titles of Resulting Company to the same extent and manner as originally held by Demerged Company to the end and intent that all the ownership, right, title and interest so vesting in Resulting Company will be such as if Resulting Company was originally the Demerged Company. The Resulting Company shall be entitled to the delivery and possession of all documents of title including all related documents of all such movable Assets pertaining to the Demerged Undertakings.

5.2.3. Without prejudice to any of the clauses above, all immovable Assets pertaining to the Demerged Undertakings on and from the Appointed Date, including land together with buildings and structure and rights thereon, whether freehold or leasehold, and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into



Resulting Company, as of the Appointed Date. The mutation of the title to the immovable Assets shall be made and duly recorded by the appropriate Governmental Authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of Resulting Company without requirement of execution of any further documents for registering the name of Resulting Company as owner thereof and the Governmental Authorities, including Sub-registrar of Assurances, Talati, Tehsildar, etc. to rely on the Scheme along with the copy of the order passed by the NCLT sanctioning the Scheme, to make necessary mutation entries and changes in the land or revenue records to reflect the name of Resulting Company as owner of the immovable Assets. Without prejudice to the aforesaid, the Resulting Company shall be entitled to and exercise all rights and privileges attached to the immovable properties and shall be liable to pay rent, taxes and to fulfill all obligations in relation to or applicable to such immovable properties with effect from the Appointed Date. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Resulting Company at the time of transfer of the Encumbrance, charge and/or right covered above with respect to the immovable properties. It is clarified for the removal of doubt that if any document is required to be executed by the Resulting Company for the purpose of transfer of immovable properties, then the Resulting Company shall be entitled to execute such deeds, agreements, conveyance and/or documents as may be required to ensure mutation of the title to the immovable properties in favour of the Resulting Company by the Governmental Authorities upon this Scheme becoming effective, provided that, the immovable properties in respect of which the Demerged Company has executed a duly stamped and registered agreement to sell / purchase or development agreement or similar agreement and a conveyance deed/sale deed has to be re-executed in favour of the Resulting Company, then the Resulting Company shall be entitled to avail credit to the stamp duty (if any) already paid by the Demerged Company on the respective agreements.



- 5.2.4. All telephones, telex, facsimile, cell phones and other communication facilities, electricity, water and other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Demerged Company together with security deposits and all other advances paid, shall stand transferred in favour of the Resulting Company on the same terms and conditions upon this Scheme becoming effective with effect from the Appointed Date without requiring any further act, deed or instrument for the transfer of the same;
- 5.2.5. All Intellectual Property pertaining to the Demerged Undertakings (specifically excluding such Intellectual Property rights as may be identified by the Board of Demerged Company or by any other employee as authorized by the Board of Demerged Company), if any, shall stand vested in Resulting Company without any further act, instrument or deed. The Resulting Company and the Demerged Company shall take all necessary actions and steps to implement or record such transfer as may be required under Applicable Law.
- 5.2.6. All the Liabilities including contingent liabilities payable by the Demerged Company pertaining to the Demerged Undertakings and duties and obligations of the Demerged Company pertaining to the Demerged Undertakings shall, without any further act, instrument or deed, be transferred to and vested into as the Liabilities of the Resulting Company, to the extent they are outstanding on the Appointed Date and shall become the Liabilities of Resulting Company on the same terms and conditions as were applicable to Demerged Company, and Resulting Company alone shall meet, discharge and satisfy the same.
- 5.2.7. All Liabilities including contingent liabilities payable by the Demerged Company pertaining to the Demerged Undertakings, including those which are incurred or which arise or accrue on or after the Appointed Date but prior to the Effective Date, shall, without any further act, instrument or deed, be transferred to and vested into as the Liabilities of Resulting Company and the same shall be assumed by Resulting Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were



applicable to Demerged Company and Resulting Company alone shall meet, discharge and satisfy the same.

5.2.8. Any Liabilities pertaining to the Demerged Undertakings as on the Appointed Date that are discharged by Demerged Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of Resulting Company.

5.2.9. The transfer and vesting of the Demerged Undertakings, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the Assets or any part thereof.

Provided that in so far as the Assets comprised in the Demerged Undertakings are concerned, the Encumbrance over such Assets relating to any Liabilities pertaining to the Remaining Business shall, without any further act or deed, be released from such Encumbrance and shall no longer be available as security in relation to such Liabilities.

Provided further that in so far as the Assets comprised in the Remaining Business are concerned, the Encumbrance over such Assets relating to the Liabilities pertaining to the Demerged Undertakings shall, without further act, instrument or deed, along with any guarantees, indemnities, or undertakings provided by Demerged Company in relation to the Demerged Undertakings, be released and discharged from the obligations and security relating to the same. With effect from the Appointed Date and upon the Scheme becoming effective, Resulting Company undertakes to meet, discharge and satisfy the loans, borrowings, debts and financial assistance pertaining to the Demerged Undertakings transferred to it.

Provided also that the transfer and vesting of Liabilities pertaining to the Demerged Undertakings shall continue to have Encumbrances confined only to the relevant Assets of the Demerged Undertakings or part thereof and no such Encumbrances shall extend over or apply to any other Asset(s) of Resulting 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 by virtue of which such Liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause. Provided however, the Demerged Company shall procure all such consents and provide all required intimations to such persons.

5.2.10. Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all Permits including leases, privileges, easements and advantages, facilities, rights, powers and interest (whether vested contingent or impending), of every kind and description of whatsoever nature in relation to the Demerged Undertakings, to which Demerged Company is a party to or to the benefit of which Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date shall, subject to Applicable Law, stand transferred to and vested in or shall be deemed to be transferred to and vested in Resulting Company as if the same were originally given or issued to or executed in favour of Resulting Company, and the rights and benefits under the same shall be available to Resulting Company. Further, Demerged Company shall execute such further deeds or documents, file such applications with the concerned authorities, as may be required to give effect to this clause.

5.2.11. All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of Demerged Company (in relation to its Demerged Undertakings) after the Effective Date shall be accepted by the banker(s) of Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company or received through electronic transfers. Similarly, the banker(s) of Resulting Company shall honour all cheques/electronic fund transfer instructions issued by Demerged Company (in relation to its Demerged Undertakings) for payment after the Effective Date.

5.2.12. Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to its Demerged Undertakings shall be treated



as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.

5.2.13. If the Demerged Company is entitled to any unutilized credits (including balances or advances), benefits under the incentive schemes and policies including tax holiday or concessions relating to its Demerged Undertakings under any Tax Laws or Applicable Laws, the same shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to Resulting Company as if Resulting Company was originally entitled to all such benefits, entitlements, incentives and concessions and the Resulting Company shall be entitled, as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Further, Demerged Company and Resulting Company shall execute such further deeds or documents, file such applications with the concerned authorities, as may be required to give effect to this clause.

5.2.14. All benefits of any and all corporate approvals as may have already been taken by Demerged Company with respect to the Demerged Undertakings, whether being in the nature of compliances or otherwise, shall stand vested in Resulting Company and the said corporate approvals and compliances shall, be deemed to have been taken/complied with by Resulting Company.

5.2.15. Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

5.2.16. In respect of any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Demerged Undertakings, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the



NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Demerged Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes. All other assets of the Demerged Company of every kind, nature and description in relation to the Demerged Undertakings other than those mentioned above, including but not limited to actionable claims, sundry debtors, receivables, bills, credits, outstanding loans, advances (if any) recoverable in cash or kind or for value to be received, bank balances, investments, earnest money and deposits with any governmental or quasi-governmental authority, other authorities and bodies, or with any other company or person, or customers (along with the encumbrance, charges and /or rights thereon), suppliers or vendors, shall without any further act or deed, cost or charge and without any notice or other intimation to any third party be transferred to and be vested in the Resulting Company upon this Scheme becoming effective with effect from the Appointed Date.

It is clarified that the Demerged Company shall if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, and/ or the Resulting Company may, in its sole discretion, without being obliged to do so, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the sanction of this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

6. PERMITS



- 6.1. With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Demerged Company pertaining to the Demerged Undertakings, pursuant to the provisions of Sections 230 to 232 of the Act, shall be transferred to and vested in the Resulting Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Resulting Company on such Permits so as to empower and facilitate the transfer and vesting of the Demerged Undertakings in the Resulting Company and continuation of operations pertaining to the Demerged Undertakings by the Resulting Company without any hindrance. The Permits shall stand transferred to and vested in or be deemed to have been transferred to, and vested in, and be available to, the Resulting Company so as to become as and from the Appointed Date, the Permits, rights, title, interests and benefits of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws, without any other order to this effect, pursuant to the sanction of this Scheme by the NCLT.
- 6.2. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the appropriate Governmental Authority, in favour of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, and under the relevant Permits, and the Resulting Company shall keep a record and/or account of such transactions.
- 6.3. Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Demerged Undertakings, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Resulting Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant



electricity, gas, water and any other utility companies, boards, agencies and authorities, upon receiving of the information about the effectiveness of the Scheme, shall issue invoices in the name of the Resulting Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Resulting Company shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund the security deposits placed with such companies, boards, agencies and authorities in respect of the Demerged Undertakings.

- 6.4. Where there are any common Permits, utilities etc. being used for the Demerged Company as a whole (i.e. for the refractory business. Govan Travels business and the Remaining Business jointly), the Resulting Company shall be allowed to continue to utilize such common Permits, utilities etc. till such time that the Resulting Company is able to procure such Permits, utilities etc. in its own name.

7. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC

- 7.1. Subject to the other provisions of the Scheme, all Contracts in relation to the Demerged Undertakings, to which the Demerged Company is a party and which is subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party or beneficiary or obligee thereto. The Resulting Company will, if required, enter into a novation agreement, sub-contracting agreement, deeds, writings or confirmations in relation to such Contracts as stated above and, if required, cause such Contracts as stated above to be formally taken on record/ recognised by the appropriate Governmental Authorities or other persons. Until such time the relevant counterparty takes cognizance of the transfer of the Contract to the Resulting Party, all rewards, benefits, payments under such Contracts shall be enforced and held in trust by the Demerged Company in favour of the Resulting Company and all duties and obligations under such Contracts shall be performed by the Resulting Company. In such cases, the Resulting



Company, if required shall indemnify the Demerged Company for any risks or loss or reward associated with such Contracts.

- 7.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertakings of the Demerged Company occurs by virtue of this Scheme, the Demerged Company and/or the Resulting Company may, at any time in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any Contract to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. The Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company, after making prior intimation to the Demerged Company, to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company pertaining to Demerged Undertakings.
- 7.3. On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertakings, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertakings to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.
- 7.4. In an event where any Contracts pertaining to the Demerged Undertakings are not transferrable for any reasons, the Demerged Company shall sub-contract such contracts to the Resulting Company by entering into applicable Contracts as per the Applicable Law and the provisions of the Contract which is sought to be sub-contracted. In such cases, the Resulting Company, if required shall indemnify the Demerged Company for any risks or loss or reward associated with such Contracts sub-contracted. Further, if any Contracts pertaining to the Demerged Undertakings are not transferrable for any reasons and cannot be sub-contracted to the Resulting Company then, the Resulting Company shall allow the Demerged Company the right to use such



performance qualifications, technical experience and credentials, if required, which will be transferred to the Resulting Company pursuant to this Scheme to complete/ implement only such Contracts.

- 7.5. Any powers of attorneys provided by the Demerged Company in respect of the Demerged Undertakings shall be either: (a) revoked by the Demerged Company on and from the expiry of 30 days from the Effective Date and the Resultant Company may issue fresh powers of attorneys as may be applicable; or (b) be read as having been provided by the Resulting Company on and from the Effective Date, as may be agreed by the respective Boards of the Parties.
- 7.6. All insurance policies of the Demerged Company issued in respect of the Demerged Undertakings shall be deemed to have been transferred to and stand to the benefit of the Resulting Company and the name of the Resulting Company shall be substituted as "Insured" in the policies as if the Resulting Company was initially a party thereto.
- 7.7. On and from the Effective Date until the date when any Contracts entered into by the Demerged Company with insurers in respect of the Demerged Undertakings are transferred to the Resulting Company pursuant to and in accordance with the Scheme or new insurance policies are obtained by the Resulting Company in respect thereof, the Demerged Company shall cooperate with the Resulting Company and take all necessary steps including payment of the requisite premium amount (which shall be reimbursed by the Resulting Company), to ensure that the insurance policies are maintained as valid and subsisting and the Resulting Company is able to make any claims under such policies (whether directly or through the Demerged Company).

8. LEGAL PROCEEDINGS

- 8.1. Upon the coming into effect of this Scheme, legal proceedings pending as on the Effective Date relating to the Demerged Undertakings shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.



- 8.2. The Resulting Company: (a) shall be replaced/added as party to such proceedings relating to the Demerged Undertakings; and (b) shall prosecute or defend such proceedings at its own cost and the liability of the Demerged Company shall consequently stand nullified. Each of the Parties shall make relevant applications to the Governmental Authorities in this regard.
- 8.3. It is clarified that except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any proceedings relating to the Demerged Undertakings that stand transferred to the Resulting Company.

9. EMPLOYEES

- 9.1. Upon the effectiveness of this Scheme, the Resulting Company undertakes to engage, without any interruption in service, all Employees related to the Demerged Undertakings, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by Contract, if any, entered into by the Demerged Company with any of the aforesaid Employees or union representing them. The Resulting Company agrees that the services of all such Employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/terminal benefits and to this effect the funded accumulated balances, if any, standing to the credit of such Employees as a provision in the books of accounts of the Demerged Company, or in the existing provident fund, gratuity fund, superannuation fund or other such fund of which the Employees are members will be transferred to the books of accounts of the Resultant Company or such provident fund, gratuity fund, superannuation funds or other such funds nominated by the Resulting Company and/ or such new fund to be established in accordance with Applicable Law and caused to be recognized by the appropriate Governmental Authorities, by the Resulting Company. The decision on whether or not employee is part of the Demerged Undertakings, be decided by the Demerged Company, and shall be final and binding on all concerned.



- 9.2. On and from the Effective Date and pending the transfer as aforesaid, any provident fund, the gratuity fund and superannuation fund dues payable in respect of the said employees would be continued to be deposited in the existing the provident fund, gratuity fund and superannuation fund by the Resulting Company through the Demerged Company or provisions in this regard shall be made in the books of accounts of the Resulting Company, as may be applicable.

10. FURTHER ASSURANCE

Without prejudice to the provisions of the foregoing and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary applications, notices, intimations or letters with any Governmental Authority or person to give effect to the Scheme.

11. CONSIDERATION

- 11.1. Upon the Scheme becoming effective and in consideration of and subject to the provisions of the Scheme, the Resulting Company shall without any application or deed, issue and allot New Equity Shares of face value of INR 10/- each, credited as fully paid up, to the extent indicated below, to the equity shareholders holding fully paid up equity shares of the Demerged Company and whose name appear in the register of members / register of beneficial owners of the Demerged Company as maintained by the registrar and transfer agent and/or depositories, as the case may be, as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company in the following proportion, subject to Clause 11.4, Clause 11.5 and Clause 11.6 of the Scheme:

“1 fully paid-up equity share of face value of INR 10 each of the Resulting Company shall be issued and allotted for every 48.18 fully paid up equity share of face value INR 2 each held by equity shareholders of the Demerged Company.”

Upon this Scheme becoming effective, the Company Secretary or any other authorized personnel of the Demerged Company shall, on the Record Date, provide to Resulting Company, a list containing particulars of equity shareholders of the Demerged



Company as on the Record Date, along with their respective entitlement to the fully paid-up equity shares of the Resulting Company, pursuant to this Scheme.

- 11.2. The share exchange ratio has been arrived at on basis of the valuation report of Valecs Ecotech Pvt. Ltd. (Firm Registration Number IBBI/RV-E/02/2022/178). M/s D & A Financial Services (P) Ltd., SEBI registered Category I merchant banker having license no. INM000011484, has provided a fairness report on the fairness of the share exchange ratio determined for the demerger of the Demerged Undertakings of Demerged Company into the Resulting Company. Based on the recommendations of the audit committee of the Demerged Company and the Resulting Company, the valuation report and fairness report as aforesaid have been duly approved by the Board of each of the Demerged Company and the Resulting Company.
- 11.3. The fractional entitlements, if any, shall be consolidated and the aggregate of such fractions shall be issued and allotted directly to and held by a trustee nominated by the Board of Resulting Company in that behalf, who shall sell such shares in the market at a market price or at a price as prescribed under regulation 165 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or as amended whichever is applicable. Such sale to be concluded within 90 days, in compliance with Applicable Law, from the date of allotment of shares, as per the Scheme and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company in proportion to their respective fractional entitlements so sold by the trustee. In the event that the trustee is unable to sell such shares in the market as aforesaid, these may be sold through off market transactions at such price and on such time or times as the trustee may in its sole discretion decide, from the date of allotment of shares, as per the Scheme and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company in proportion to their respective fractional entitlements so sold by the trustee.



- 11.4. The New Equity Shares to be issued to the shareholders of the Demerged Company as above shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company. Further, the New Equity Shares issued shall rank pari passu with the existing equity shares of the Resulting Company in all respects including dividends, if any that may be declared by the Resulting Company on or after the Scheme becoming effective, as the case may be.
- 11.5. The issue and allotment of the New Equity Shares to the shareholders of the Demerged Company as provided in Clause 11 of this Scheme, is an integral part of the Scheme, and shall be deemed to be carried out without requiring any further act on the part of the Resulting Company or its shareholders as if the procedure laid down under Sections 42, 62 of the Act and any other applicable provisions of the Act or any other Applicable Laws, were duly complied with.
- 11.6. With respect to any foreign shareholders of the Demerged Company, the Resulting Company shall comply with the Applicable Laws including RBI guidelines, SEBI regulations, directions and instructions of the Stock Exchanges and applicable provisions of Foreign Exchange Management Act 1999, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, to enable it to issue New Equity Shares pursuant to this Scheme.
- 11.7. The New Equity Shares to be issued and allotted by the Resulting Company to the shareholders of the Demerged Company shall be issued in dematerialized form. All the shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/or its registrar and transfer agent on or before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form. Notwithstanding the above, if as per Applicable Laws, the Resulting Company is not permitted to issue and allot the New Equity Shares in physical form and it has still not received the demat account details of such shareholders of the Demerged Company, the Resulting Company shall issue and allot such shares in lieu of the New Equity Share entitlement of such shareholders, into a Suspense escrow demat account, which shall be operated by one



of the directors or any such employee of the Resulting Company duly authorized by the Board in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlements, transfer from such Suspense escrow demat account into the individual demat account of such claimant shareholders, such number of shares as they may be entitled in terms of this Scheme. Further, the New Equity Shares to be issued in respect of the shares of the Demerged Company held in an Suspense escrow demat account, if any, shall also be issued into the Suspense escrow demat account created for the shareholders of the Demerged Company.

- 11.8. In the event that the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio per Clause 11.1 shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 11.9. It is hereby clarified that for the purposes of increasing the authorized share capital of Resulting Company to issue the New Equity Shares, the consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution under Sections 13, 61, 64 of the Act and other applicable provisions of the Act would be required to be separately passed.
- 11.10. The New Equity Shares to be issued by the Resulting Company pursuant to Clause 11 in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Governmental Authority or otherwise, also be kept in abeyance by the Resulting Company.
- 11.11. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Resulting Company and in relation to the shares issued by the Resulting Company after



the effectiveness of the Scheme. The Board or any committee thereof or authorized personnel of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.

- 11.12. The New Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, be held in abeyance by the Resulting Company.
- 11.13. The Board or any committee thereof or authorized personnel of the Resulting Company shall be empowered to remove any difficulties as may arise in the course of implementation of this Scheme or in relation to the issue of New Equity Shares and registration of new members in the Resulting Company after this Scheme becomes effective.

PART IV – GENERAL TERMS AND CONDITIONS

12. TRANSACTIONS UPTO THE EFFECTIVE DATE

Upon Scheme being approved by the Board of Directors of the Parties and up to and including the Effective Date:

- 12.1. The Demerged Company shall carry on the business of the DMC Unit and GT Unit and shall hold and stand possessed of all its Assets for and on account of and in trust for Resulting Company. The Demerged Company hereby undertakes to hold its said Assets with utmost prudence until the Effective Date.
- 12.2. The Demerged Company shall carry on the business and activities of DMC Unit and GT Unit with reasonable diligence, business prudence and shall not, except in the ordinary course of business or with prior written consent of Resulting Company, undertake or incur any additional Liabilities or expenditure of any nature whatsoever, issue any additional guarantees, indemnities, letters of comfort or commitment either for



themselves or on behalf of its respective affiliates or associates or any third party, in relation to the DMC Unit and GT Unit; or Encumber or otherwise deal with or dispose of or alter or expand any business or part thereof relating to the Demerged Undertakings.

- 12.3. With effect from the Appointed Date, all the profits or income accruing or arising to Demerged Company or expenditure, Liabilities or losses arising or incurred or suffered by Demerged Company, in relation to the DMC Unit and GT Unit, shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or Liabilities or expenditure as the case may be of Resulting Company. All taxes (including Income Tax, Service Tax, Value Added Tax, GST etc.), paid or payable whether by way of deduction at source, advance tax or otherwise, by the Demerged Company, in respect of the profits or activities or operations of business relating to the Demerged Undertakings after the Appointed Date, shall be deemed to be paid or payable on behalf of Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 12.4. The Demerged Company shall not vary the terms and conditions of any Contracts in relation to the Demerged Undertakings except in the ordinary course of business or with the prior consent of Resulting Company or pursuant to any pre-existing obligation undertaken by them, as the case may be.
- 12.5. The Demerged Company and Resulting Company shall be entitled, pending sanction of the Scheme, to apply to the appropriate Governmental Authorities as necessary under Applicable Law for such Permits which the Resulting Company may require to carry on the business of Demerged Undertakings of the Demerged Company and to give effect to the Scheme.
- 12.6. The Demerged Company in relation to the Demerged Undertakings shall not except in the ordinary course of business or with prior written consent of the Resulting Company: (a) waive, defer or release any rights that it may have against any person or any obligations that a person may have towards the Demerged Company; and/or (b) commence or settle any litigation, dispute or claim or admit any liability in any litigation, dispute or claim, as the case may be.



- 12.7. The Demerged Company with respect to the Demerged Undertakings shall not vary the terms and conditions of employment of any of its Employees without the written consent of the Resulting Company, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Demerged Company.
- 12.8. If proceedings are instituted or continued against the Demerged Company in respect of matters relating to the Demerged Undertakings, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company, against all Liabilities and obligations incurred by the Demerged Company in respect thereof.
- 12.9. During the pendency of this Scheme, the Resulting Company and the Demerged Company (in relation to its businesses other than the DMC Unit and GT Unit) shall be free to carry on its business and undertake or pursue any transactions, do all such acts and deeds as may be necessary or expedient in its interests.

13. REMAINING BUSINESS

- 13.1. The Remaining Business of Demerged Company and all the Assets, Liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed and operated by Demerged Company.
- 13.2. All legal and other proceedings by or against Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any Asset, right, power, Liability, obligation or duty of Demerged Company in respect of the Remaining Business), shall be continued and enforced by or against Demerged Company.
- 13.3. On and after the Effective Date, if proceedings are instituted against the Resulting Company in respect of the Remaining Business, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all Liabilities and obligations incurred by the Resulting Company in respect thereof.



14. LISTING OF NEW EQUITY SHARES OF THE RESULTING COMPANY

- 14.1. The New Equity Shares to be issued and allotted in terms of Clause 11 above, shall, in compliance with the requirement of Applicable Law, be listed and/or admitted to trading on the Stock Exchange(s) where the existing equity shares of the Resulting Company are listed. The Resulting Company shall take all steps to get all the New Equity Shares issued pursuant to this Scheme, listed on the Stock Exchanges on which the equity shares of the Resulting Company are listed, in accordance with the provisions of Applicable Laws including in particular the LODR Regulations, SEBI Circular and other circulars, notifications and rules issued by SEBI from time to time and enter into 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 Exchange(s) where the existing equity shares of the Resulting Company are listed. On completion of formalities, such Stock Exchange(s) shall list and/or admit the New Equity Shares for the purpose of trading.
- 14.2. The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the concerned Governmental Authorities for the listing of the New Equity Shares issued to the shareholders of the Demerged Company under the Scheme.
- 14.3. Post listing of the New Equity Shares of the Resulting Company on the Stock Exchanges, it shall comply with the requirement of maintaining public shareholding of at least 25% in the Resulting Company or such other percentage of the minimum public shareholding within such timelines as may be prescribed by the Governmental Authority or under the Applicable Law from time to time.
- 14.4. Post listing of the shares of the Resulting Company on the Stock Exchanges, the shares allotted pursuant to this Scheme shall remain frozen in the depository system till the trading permission is granted by the Stock Exchanges.
- 14.5. There shall be no change in the shareholding pattern or control of the Resulting Company between the Record Date and date of listing of New Equity Shares of the Resulting Company on the Stock Exchanges which may affect the approvals to be



obtained from the Stock Exchanges. The Resulting Company will not issue/ reissue any shares, not covered under the Scheme.

15. ACCOUNTING TREATMENT

15.1. The Demerged Company and the Resulting Company shall account for the Scheme in their respective books/financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and generally accepted accounting principles in India as amended from time to time including as provided herein below:

15.2. Accounting treatment in the books of the Demerged Company:

15.2.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company shall derecognize the carrying value of assets and liabilities pertaining to the Demerged Undertakings, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.

15.2.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertakings will stand cancelled and there shall be no further obligation / outstanding in that behalf.

15.2.3. The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 15.2.1 and effect to elimination of balances as mentioned in Clause 15.2.2, shall be adjusted with the Retained Earnings of the Demerged Company.

15.3. Accounting treatment in the books of the Resulting Company:

15.3.1. The Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertakings, transferred to and vested in it at their respective fair market value as on the Appointed Date.

15.3.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the



Demerged Undertakings will stand cancelled and there shall be no further obligation / outstanding in that behalf.

15.3.3. The Resulting Company shall credit to its share capital in its books of accounts the aggregate face value of New Equity Shares issued by it to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme. Resulting Company shall credit to its Securities Premium Account, the aggregate premium on New Equity Shares issued by it pursuant to Clause 11 of this Scheme. Securities Premium so created will be treated at par with any other Securities Premium existing in the books of the Transferee Company prior to this Scheme.

15.3.4. In case of any difference in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail.

15.3.5. The excess/deficit if any, of the net assets transferred to the Resulting Company pursuant to Clause 15.3.1 after giving effect to Clause 15.3.2, Clause 15.3.3 and 15.3.4, shall be adjusted in Goodwill/Capital Reserve of the Resulting Company.

16. SAVING OF CONCLUDED TRANSACTIONS

16.1. Nothing in this Scheme shall affect any transaction or proceedings relating to the Demerged Undertakings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by Demerged Company in respect thereto as if done and executed on its behalf.

17. DIVIDENDS

17.1. During the pendency of the Scheme, Demerged Company and Resulting Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

17.2. The shareholders of Demerged Company and Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.



- 17.3. In case of declaration/ payment of any dividend as contemplated above, the shareholders of the other company shall not have any express, implied or derivative right or claim to any dividend before, on or after this Scheme becoming effective whether on the basis of the fact that they have, deemed to have or ought to have also received such dividend, or otherwise.
- 17.4. On and from the Appointed Date, the profits of DMC Unit and GT Unit of Demerged Company for the period beginning from the Appointed Date shall belong to and be deemed to be the profits of Resulting Company and will be available to Resulting Company for being disposed of in any manner as it thinks fit.
- 17.5. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Demerged Company and Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Boards of Directors, subject to such approval of the members, as may be required.

18. FACILITATION PROVISIONS

- 18.1. Immediately upon the Scheme being effective, the Demerged Company and the Resulting Company may enter into necessary arrangements including brand licensing agreements, sub-contracting agreements, sub-licensing agreements, back to back agreements, wrong pocket arrangements and shared services agreements, as may be necessary, *inter alia* in relation to use by the Resulting Company of Intellectual Property pertaining to the Demerged Undertakings, office space, infrastructure facilities, information technology services, Employees, tax, audit, finance, secretarial, human resource service, security personnel, legal, administrative and other services, etc. of the Demerged Company, and so as to give full effect to the provisions of this Scheme, each, on such terms and conditions that may be agreed between the Parties and on payment of consideration on an arm's length basis and which are in the ordinary course of business.
- 18.2. Further, if required the Demerged Company will provide office facility management services for the Resulting Company by continuing to work with property manager,



landlord, lessor, as may be appropriate in line with the existing arrangement. Status quo for existing operations and services of the Demerged Company shall be maintained.

- 18.3. It is clarified that approval of the Scheme by the shareholders of the Resulting Company and Demerged Company under Sections 230 to 232 of the Act shall be deemed to have their approval under applicable provisions of the Act and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that no separate approval of the Board and/or Audit Committee or shareholders shall be required to be sought by Resulting Company and Demerged Company.

19. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on and from the Appointed Date, until any Asset, Records, Intellectual Property, Permit, Contract, and rights and benefits arising therefrom are transferred, vested, recorded, effected and/or perfected, in the records of the appropriate Governmental Authority(ies) or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy such Assets, Records, Intellectual Property, Permit, Contract as if it were the owner of the Assets, Records, Intellectual Property or as if it were the original party to the Permit or Contract. It is clarified that till entry is made in the records of the appropriate 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 Assets, Records, Intellectual Property, Permit, Contract as the case may be in trust on behalf of the Resulting Company. It is further clarified that on the Effective Date, notwithstanding the Scheme being made effective, any asset/liability identified as part of the Demerged Undertaking and pending transfer due to the pendency of any approval/consent and/or sanction shall be held in trust by the Demerged Company for the Resulting Company. Immediately upon receipt of such Permit, such Asset and/or Liability forming part of the Demerged Undertakings shall without any further act/deed or consideration be transferred/vested in the Resulting Company, with all such benefits, obligations and rights with effect from the Appointed Date. All costs, payments and other



liabilities that the Demerged Company shall be required to bear to give effect to this Clause 19 shall be borne solely by the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

20. APPLICATION TO NCLT

- 20.1. The Demerged Company and Resulting Company shall make all necessary applications to the Hon'ble NCLT for seeking approval to the Scheme under sections 230 to 232 of the Act and other provisions of Applicable Law, if any, and shall apply for such approvals as may be required under Applicable Law.

21. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Demerged Company and Resulting Company (through their respective Boards/ any Committee formed and/or authorised by the Board/ authorised personnel in relation to the Scheme), in their full and absolute discretion, jointly and as mutually agreed in writing may:

- 21.1. Assent to any alteration(s) or modification(s) to this Scheme including any schedules/ annexures to the Scheme which the Hon'ble NCLT and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing in compliance with Applicable Law for any reason whatsoever, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
- 21.2. Give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith; or
- 21.3. It is clarified that the approval of the shareholders of the Demerged Company and the Resulting Company to the Scheme shall include any subsequent modifications to the



A handwritten signature in blue ink, written over the stamp of Dalmia Bharat Refractories Limited.

Scheme which may be undertaken by the Boards of Demerged Company and Resulting Company under this clause.

22. WITHDRAWAL OF THE SCHEME

- 22.1. The Demerged Company and the Resulting Company, acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme for any reason whatsoever or any condition or alteration imposed by any authority/ person including if they are of the view that coming into effect of this Scheme could have adverse implications on the respective companies.
- 22.2. The Demerged Company and the Resulting Company, acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any Governmental Authority/person is unacceptable to any of them, in which case the Board of Directors of the other company shall decide consequent actions as considered appropriate by them.
- 22.3. The Demerged Company and/ or Resulting Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme in case the Demerged Company or the Resulting Company is declared insolvent.
- 22.4. In the event of any of the conditions precedent referred to in Clause 23 are not obtained and/or the Scheme is not sanctioned by the NCLT or such other competent Governmental Authority by March 31, 2025 or within such further period or periods as may be agreed upon between Demerged Company and Resulting Company by their respective Board of Directors, this Scheme shall stand revoked, cancelled and be of no effect, and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme. In the event of revocation/withdrawal of the Scheme under the Clauses above, 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, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided



in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

23. CONDITIONALITY OF THE SCHEME

Unless otherwise decided (or waived) by the relevant Parties, this Scheme is conditional upon and subject to the following:

- 23.1. Obtaining no-objection from the Stock Exchange(s) in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time);
- 23.2. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors, if required, of the Parties, as may be directed by the NCLT or any other Governmental Authority as may be applicable;
- 23.3. The Demerged Company and Resulting Company complying with other provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting. The Scheme shall be acted upon only if the number of votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it, in accordance with the SEBI Circular, subject to modification, if any, in accordance with any subsequent circulars and amendments that may be issued by SEBI from time to time. The term "public" shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;
- 23.4. The Scheme being sanctioned by the Chennai Bench of Hon'ble NCLT or any other authority under Sections 230-232 of the Act;
- 23.5. Obtaining the mandatory approval of the relevant Governmental Authority, as may be required.
- 23.6. Obtaining a certified copy of the Order of the Chennai Bench of the Hon'ble NCLT sanctioning the Scheme and filing the same with the Registrar of Companies, Chennai, by Demerged Company and Resulting Company; and
- 23.7. Any other matters expressly agreed as conditions precedent to the effectiveness of the Scheme as amongst the Parties in writing.



Notwithstanding anything contained in sub clause 23.1 to sub clause 23.6 above, the Board of the Demerged Company and Resulting Company, in their discretion, may mutually decide to waive any of the conditions mentioned above, to the extent legally permissible.

24. COSTS, CHARGES & EXPENSES

Unless otherwise agreed between the Parties, each company (i.e. the Demerged Company and Resulting Company) shall bear its own past, present and future costs, charges, taxes including duties, levies and all other expenses incurred or to be incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto.

