

SCHEME OF AMALGAMATION
(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)

AMONGST

SITAPURAM POWER LIMITED
(Amalgamating Company)

AND

ZUARI CEMENT LIMITED
(Amalgamated Company)

AND

THEIR RESPECTIVE SHAREHOLDERS



for ZUARI CEMENT LIMITED
[Handwritten Signature]
Authorised Signatory

1 OVERVIEW, OBJECTIVES AND BENEFITS OF THIS SCHEME

1.1 Brief overview of the companies

1.1.1 Sitapuram Power Limited ("Amalgamating Company"):

- (i) The Amalgamating Company is an unlisted public limited company incorporated under the laws of India, having its registered office at Sitapuram, Dondapadu Village, Mallareddy Gudem Mandal (Chinthala Palem), Telangana, India – 508 246. The Amalgamating Company was originally incorporated on 18 July 2005. The CIN of the Amalgamating Company was originally U40109AP2005PLC046893 and subsequently, due to the creation of the State of Telangana, the CIN of the Amalgamating Company was changed to U40109TG2005PLC046893. The PAN of the Amalgamating Company is AAJCS2098E.
- (ii) The Amalgamating Company is authorised to, and is engaged in, the business of constructing, establishing, setting up, operating and managing captive power plants for generating electricity primarily for the use of the shareholders of the Amalgamating Company and supplying power to such shareholders either directly or through the transmission lines of any licensee by entering into appropriate arrangements.
- (iii) The Amalgamating Company is a wholly owned subsidiary of Amalgamated Company.

1.1.2 Zuari Cement Limited ("Amalgamated Company"):

- (i) The Amalgamated Company is an unlisted public limited company incorporated under the laws of India, having its registered office at Krishna Nagar, Yerraguntla, Andhra Pradesh, India – 516 311. The Amalgamated Company was incorporated on 16 February 2000. The CIN of the Amalgamated Company is U26942AP2000PLC050415. The PAN of Amalgamated Company is AAACZ1270E.
- (ii) The Amalgamated Company is authorised to, and is engaged in, the business of (a) manufacturing, trading, marketing, dealing, importing, exporting, converting, chemical treating, synthesizing and processing different kinds of cements, including Portland cement, pozzolana cement, masonry cement, hydrophobic cement, white cement, etc., and all other items of allied nature and (b) producing, manufacturing, purchasing, refining, preparing, processing, importing, exporting and dealing in all kinds of cement pipes, cement sheets and other building materials, made of cements.
- (iii) The entire issued, subscribed and paid-up share capital of the Amalgamating Company is beneficially held by the Amalgamated Company.

1.2 Overview, Objectives and Benefits of this Scheme

1.2.1 Pursuant to and under the provisions of Sections 230 to 232 of the 2013 Act, and other relevant provisions of 2013 Act, the Amalgamating Company and Amalgamated Company propose, through this Scheme, to amalgamate the Amalgamating Company into and with the Amalgamated Company.

1.2.2 This Scheme is segregated into the following 5 (five) parts:

- (i) Part - I sets-forth the overview, objectives and benefits of this Scheme;
- (ii) Part - II sets-forth the capital structure of the Amalgamating Company and the Amalgamated Company, the change in authorised share capital of the



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

Page | 1

Amalgamated Company and amendment to the main objects of the Amalgamated Company;

- (iii) Part - III deals with the amalgamation of the Amalgamating Company into and with the Amalgamated Company, in accordance with Section 2(1B) of the Income-tax Act, 1961 and Sections 230 to 232 of the 2013 Act;
- (iv) Part - IV deals with the cancellation of shareholding of the Amalgamated Company in the Amalgamating Company and certain specified accounting treatment in the books of the Amalgamated Company pursuant to and in terms of this Scheme; and
- (v) Part - V deals with the general terms and conditions applicable to this Scheme.

1.2.3 This Scheme shall result in:

- (i) consolidation of the businesses presently being carried on by the Amalgamating Company and the Amalgamated Company, which shall create greater synergies between the business operations of the companies, as the Amalgamating Company is engaged in the business of operating and managing a captive power plant for generating electricity exclusively for the use by the Amalgamated Company;
- (ii) enhancement of cash flows and operational efficiencies through optimal utilisation of resources;
- (iii) better alignment, coordination and streamlining of day to day operations, leading to improvement in overall working culture and environment;
- (iv) formation of a stronger company with a larger capital and asset base and enable the combined business to be pursued in a manner that is more convenient and advantageous to all the stakeholders;
- (v) pooling of manufacturing and operational facilities, physical and financial resources in a single consolidated entity for improved productivity, efficient treasury function and centralized management to supplement future growth opportunities; and
- (vi) creation of value for various stakeholders and shareholders of the Amalgamated Company and the Amalgamating Company, as a result of all of the foregoing.

1.3 Definitions

In this Scheme, unless repugnant to the subject, context or meaning thereof, the following capitalised words and expressions shall have the meanings set forth below:

- 1.3.1 "2013 Act" means the Companies Act, 2013, rules and regulations made, and notifications issued, thereunder, and includes any alterations, modifications and amendments made thereto and, or, any re-enactment thereof;
- 1.3.2 "Appointed Date" means 01 April 2019 or such other date as may be approved by the Tribunal, being the date with effect from which this Scheme shall, post effectiveness of this Scheme, be operative, and the date with effect from which the Amalgamating Company shall, as a consequence of effectiveness of this Scheme, stand amalgamated into and with the Amalgamated Company;
- 1.3.3 "Amalgamated Company" has the meaning assigned to such a term in Clause 1.1.2;
- 1.3.4 "Amalgamating Company" has the meaning assigned to such a term in Clause 1.1.1 and, notwithstanding anything to the contrary in this Scheme, such term means and includes:
 - (i) assets, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible, present, future or contingent, including but not limited to immovable properties, land and buildings, movable assets and other plant, machinery and equipment, whether licensed, leased or otherwise held, title, interests, financial assets, investments, loans, application



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

Page | 2

monies, advance monies, earnest monies and, or, security deposits or advances, including accrued interest, and other payments (in any such case whether paid by or deemed to have been paid by the Amalgamating Company), covenants, undertakings and rights and benefits, including rights and benefits pertaining to any insurance policies, security arrangements, receivables, claims against any third parties, guarantees (including bank and performance guarantees), letters of credit, reversions, tenancies and other such arrangements or facilities;

- (ii) debts, borrowings, duties, guarantees, assurances, commitments, obligations and liabilities (including deferred tax liabilities and contingent liabilities), both present and future of every kind, nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or un-liquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, whether provided for or not in the books of accounts or disclosed in the balance sheet including, without limitation, whether arising out of any contract or tort based on negligence or strict liability or under any licences or permits or schemes;
- (iii) fuel supply agreement executed with Singareni Collieries Company Limited, water agreement executed with Governor of Andhra Pradesh and all other contracts, agreements engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, sales tax credits, income tax credits, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Amalgamating Company is a party, including agreements with any government entity, department, commission, board, agency, bureau, official, etc., sale agreements, agreements to sell, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements and contracts with the supplier of goods or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Amalgamating Company is a party;
- (iv) intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, technical know-how, domain names, including applications for trademarks, trade names, service marks, copyrights, designs and domain names, used by or held for use by the Amalgamating Company, if any, whether or not recorded in the books of accounts of the Amalgamating Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Amalgamating Company, whether used or held for use by it;
- (v) permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, subsidies, tax deferrals, and benefits (including sales tax and service tax), sales tax credits, advance income tax, credit for tax deducted at source under the provisions of the Income-tax Act, 1961, income tax benefits and exemptions (including the right to claim tax holiday under the Income-tax Act, 1961), input tax credit under the provisions of the Central Goods and Services Tax Act, 2017, relevant State GST legislation, the Goods And Services Tax (Compensation To States) Act, 2017 and Integrated Goods and Services Tax Act, 2017 and rules made thereunder, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, whether statutory or otherwise, and any waiver of the foregoing, issued by any legislative, executive or judicial unit of any governmental or semi-governmental entity or any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority used or held for use by the Amalgamating Company;



for ZUARI CEMENT LIMITED

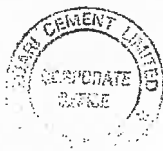
Arshat
Authorised Signatory

Page | 3

- (vi) all employees, permanent employees, temporary employees, probationers, trainees, interns employed or engaged by the Amalgamating Company; and
- (vii) books, records, papers, files, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, directly or indirectly relating to the Amalgamating Company.
- 1.3.5 **"Board of Directors"** in relation to the Amalgamating Company and, or, the Amalgamated Company, as the case may be, means their respective board of directors, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including committee of directors) or any person authorised by the board of directors or by any such committee;
- 1.3.6 **"Effective Date"** has the meaning assigned to such term in Clause 5.2. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" means and refers to the Effective Date;
- 1.3.7 **"Scheme"** means this Scheme of Amalgamation in its present form (along with all annexures, schedules, etc., annexed or attached hereto), with such modifications and amendments as may be made from time to time in accordance with the provisions of applicable laws; and
- 1.3.8 **"Tribunal"** means the relevant bench of the National Company Law Tribunal.

1.4 Interpretation

- 1.4.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the meaning assigned to such terms and expressions under the 2013 Act, and if not defined therein, then under other relevant statutes, applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof.
- 1.4.2 In this Scheme, unless the context otherwise requires:
- (i) references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
 - (ii) the headings, sub-headings and bold typeface are inserted only for ease of reference and shall not affect the construction or interpretation of this Scheme;
 - (iii) the term "Clause" refers to the specified clause of this Scheme;
 - (iv) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made and regulations, rules and notifications issued from time to time under such a statutory provision or applicable to such a statutory provision;
 - (v) references to one gender includes all genders; and
 - (vi) words in the singular shall include plural and *vice versa*.



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

2 CAPITAL STRUCTURE

2.1 Amalgamating Company

2.1.1 The capital structure of the Amalgamating Company, as of 31 March 2019, is as under:

Share Capital	Amount in Rs.
Authorised	
10,00,000 equity shares of Rs. 10 each	1,00,00,000
47,00,000 redeemable preference shares of Rs. 100 each	47,00,00,000
Total	48,00,00,000
Issued, Subscribed and Paid-up	
10,00,000 fully paid-up equity shares of Rs. 10 each	1,00,00,000
27,49,000 fully paid-up redeemable preference shares of Rs. 100 each	27,49,00,000
Total	28,49,00,000

2.1.2 The shares of the Amalgamating Company are, at present, not listed on any stock exchange, whether in India or in any other jurisdiction. The entire issued, subscribed and paid-up share capital of the Amalgamating Company is beneficially held by the Amalgamated Company and the Amalgamating Company is a wholly-owned subsidiary of the Amalgamated Company.

2.2 Amalgamated Company

2.2.1 The capital structure of the Amalgamated Company, as of 31 March 2019, is as under:

Share Capital	Amount in Rs.
Authorised Capital	
30,00,00,000 equity shares of Rs. 10 each	3,00,00,00,000
14,00,00,000 convertible preference shares of Rs. 10 each	1,40,00,00,000
Total	4,40,00,00,000
Issued, Subscribed and Paid-up	
27,49,61,400 fully paid-up equity shares of Rs. 10 each	2,74,96,14,000
Total	2,74,96,14,000

2.2.2 The shares of the Amalgamated Company are, at present, not listed on any stock exchange, whether in India or in any other country.

2.3 Transfer of authorised share capital of the Amalgamating Company to Amalgamated Company

2.3.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the authorised share capital of the Amalgamating Company, shall stand transferred to and be merged with the authorised share capital of the Amalgamated Company.

2.3.2 Upon this Scheme becoming effective and with effect from the Appointed Date, and consequent to the transfer of the existing authorised share capital of the Amalgamating Company in accordance with Clause 2.3.1, the authorised share capital of the Amalgamated Company, i.e., Rs. 440,00,00,000 (Rupees four hundred and forty crore) divided into 30,00,00,000 (thirty crore) equity shares of Rs. 10 (Rupees ten) each and 14,00,00,000 (fourteen crore) convertible preference shares of Rs. 10 (Rupees ten) each shall stand enhanced by an amount of Rs. 48,00,00,000 (Rupees forty eight crore) and the resultant authorised share capital of the Amalgamated Company shall be Rs. 488,00,00,000 (Rupees four hundred and eighty eight crore), divided into 34,80,00,000 (thirty four crore and eight lakh) equity shares of Rs. 10 (Rupees ten) each and 14,00,00,000 (fourteen crore) convertible preference shares of Rs. 10 (Rupees ten) each each. Accordingly,



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

Page | 5

Clause V of the Memorandum of Association of the Amalgamated Company shall stand modified and be substituted by the following:

"The Authorised Share Capital of the Company is Rs. 488,00,00,000 (Rupees four hundred and eighty eight crore), divided into 34,80,00,000 (thirty four crore and eighty lakh) equity shares of Rs. 10 (Rupees ten) each and 14,00,00,000 (fourteen crore) convertible preference shares of Rs. 10 (Rupees ten) each with such rights, privileges, and conditions respectively attached thereto as may be from time to time conferred by the regulations of the Company with power to increase and reduce the capital of the Company and to divide the shares in the capital of the Company into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions, in such manner, as may be for the time being provided by the regulations of the Company."

Article 6 of the Articles of Association of the Amalgamated Company shall stand modified and substituted by the following:

"The Authorised Share Capital of the Company is Rs. 488,00,00,000 (Rupees four hundred and eighty eight crore), divided into 34,80,00,000 (thirty four crore and eighty lakh) equity shares of Rs. 10 (Rupees ten) each and 14,00,00,000 (fourteen crore) convertible preference shares of Rs. 10 (Rupees ten) each with such rights, privileges, and conditions attached thereto as may be determined by the Board at the time of issue."

2.3.3 For the avoidance of doubt, it is hereby clarified that, in case, the authorised share capital of the Amalgamated Company or the Amalgamating Company undergoes any change then Clause 2.3.2 shall stand modified/adjusted automatically, and without any further actions, to take into account the effect of such change.

2.4 Alteration of the main objects

2.4.1 The main objects of the Amalgamated Company shall stand altered by addition of the following new paragraph:

"To construct, establish, set up, operate and manage captive power plants for generating electricity primarily for use by the Company and, if deemed fit or necessary, supply power to other third parties, either directly or through the transmission lines of any licensee by entering into appropriate arrangements."

2.4.2 The aforesaid paragraph shall be included in Clause III(A) of the Memorandum of Association of the Amalgamated Company as regulation 3.

2.5 Miscellaneous

2.5.1 The amendment to the Memorandum of Association and Articles of Association of the Amalgamated Company contemplated in Clauses 2.3 and 2.4 shall be effected as an integral part of this Scheme and the consent of the shareholders of the Amalgamated Company to this Scheme shall be sufficient for the purposes of effecting such amendment, and no additional resolution, whether under Section 13 of the 2013 Act or any other applicable provisions of the 2013 Act or under the Articles of Association of the Amalgamated Company, shall be required to be separately passed.

2.5.2 Upon this Scheme becoming effective, the Amalgamated Company shall file the requisite e-forms with the relevant Registrar of Companies. Amalgamated Company shall not be required to pay any additional filing fees, registration fees, stamp duty, etc., in relation to the actions contemplated in Clauses 2.3 and 2.4, including the increase in the authorised share capital of the Amalgamated Company, as all such fees and stamp duty have already been paid by the Amalgamating Company and all such fees and stamp duty paid by the Amalgamating Company shall be deemed to have been so paid by the Amalgamated Company.



for ZUARI CEMENT LIMITED

Ambar
Authorised Signatory

3 AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND WITH THE AMALGAMATED COMPANY

3.1 Transfer and vesting of assets and liabilities and entire business of the Amalgamating Company

3.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities, whether or not recorded in the books of accounts of the Amalgamating Company and including all future assets and liabilities, and the entire business of the Amalgamating Company, shall stand transferred to and vested in the Amalgamated Company, as a going concern, without any further act or deed, as per the provisions of this Scheme.

3.1.2 Without prejudice to the generality of the provisions of Clause 3.1.1, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) all assets of the Amalgamating Company, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery or by vesting and recordal pursuant to this Scheme, shall stand vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
- (ii) all other movable properties of the Amalgamating Company, other than those described in sub-clause (i) above, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Amalgamated Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Amalgamated Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the Tribunal, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company as the person entitled thereto, to the end and intent that the right of the Amalgamating Company to recover or realise all such debts (including the debts payable by such debtor or obligor to the Amalgamating Company) stands transferred and assigned to the Amalgamated Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. For the avoidance of doubt, it is hereby clarified that investments, if any, made by the Amalgamating Company and all the rights, title and interest of the Amalgamating Company in any licensed properties or leasehold properties shall, pursuant to Section 232(4) of the 2013 Act, other applicable provisions of the 2013 Act, and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, unless the lessor / licensor of such properties is the Amalgamated Company, in which case, the relevant leases / licenses shall become redundant and shall cease to have any effect;
- (iii) all immovable properties of the Amalgamating Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Amalgamating Company, if any, whether freehold or leasehold, unless the lessor / licensor of such properties is the Amalgamated Company, in which case, the relevant leases / licenses shall become redundant and shall cease to have any effect, and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and,



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

Page | 7

or, be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed done or being required to be done by the Amalgamating Company and, or, the Amalgamated Company. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal in accordance with the terms hereof. Details of the freehold properties of the Amalgamating Company are provided in Schedule I;

- (iv) all debts, liabilities, contingent liabilities, duties and obligations, whether secured or unsecured or whether provided for or not in the books of account or disclosed in the balance sheets of the Amalgamating Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company without any further act, instrument or deed, and the Amalgamated Company shall meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause 3.1.2, and the approval of this Scheme in accordance with the terms set out herein shall be deemed sufficient for the purposes of giving effect to the provisions of this Clause 3.1.2. All loans, advances and other obligations due from the Amalgamating Company to the Amalgamated Company or *vice versa* shall stand cancelled and shall have no effect;
- (v) the fuel supply agreement executed with Singareni Collieries Company Limited, water agreement executed with Governor of Andhra Pradesh and all other contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, leases, licenses, including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on the business of the Amalgamating Company but excluding lease and licenses where the lessor / licensor of such properties is the Amalgamated Company (in which case, the relevant leases / licenses shall become redundant and shall cease to have any effect), and other contract relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company, or to the benefit of which, the Amalgamating Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, all deeds, bank guarantees, performance guarantees and letters of credit, agreements with any government entity, department, commission, board, agency, bureau or official, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Amalgamating Company or to the benefit of which the Amalgamating Company may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Tribunal, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements of the Amalgamated Company. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company (and not by any of its successors) shall be fulfilled by the Amalgamated Company as if it is the duly constituted attorney of the Amalgamating Company. All agreements entered into by the Amalgamating Company shall stand transferred and vested in favour of the Amalgamated Company on the same terms and conditions. The Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder. For the avoidance of



for ZUAM CEMENT LIMITED

Page | 8

Authorized Signatory

48

doubt, it is hereby clarified that, in case of a contract exclusively between the Amalgamating Company and the Amalgamated Company, the said contract shall, unless otherwise deemed by the Board of Directors of the Amalgamated Company, become redundant and shall cease to have any effect upon the effectiveness of the Scheme;

- (vi) any and all notices, disputes, pending suits, appeals or other proceedings of whatsoever nature, if any, relating to the Amalgamating Company, whether by or against the Amalgamating Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Amalgamating Company, as if this Scheme had not been implemented, and the Amalgamated company shall have the right to initiate, defend, compromise or otherwise deal with any and all notices, disputes, pending suits, appeals or other proceedings of whatsoever nature, in a manner it deems fit in its sole discretion;
- (vii) (a) all employees, permanent employees, temporary employees, probationers, trainees and interns, if any, of the Amalgamating Company shall become employees, permanent employees, temporary employees, probationers, trainees and interns, in the same capacity, as the case may be, of the Amalgamated Company with effect from the Effective Date, on such terms and conditions as are no less favourable, than those on which they are engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer;
- (b) in regard to employees of the Amalgamating Company, if any, who qualify as "workmen" under the Industrial Disputes Act, 1947, and who are being transferred to the Amalgamated Company in terms of this Scheme, the Amalgamated Company confirms that it shall comply with the provisions of Section 25FF of the Industrial Disputes Act, 1947, to the extent applicable;
- (c) in regard to provident fund, gratuity, leave encashment, deferred cash benefits, long term incentive plans, and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company, upon this Scheme becoming effective, the Amalgamated Company shall, if the Board of Directors of the Amalgamated Company deem fit, stand substituted for the Amalgamating Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Amalgamating Company, in accordance with the provisions of applicable laws or otherwise. Alternatively, the Board of Directors of the Amalgamated Company may, upon the Scheme becoming effective, transfer all benefits and liabilities accrued to the employees of the Amalgamating Company which are covered under such trusts/funds set up by the Amalgamating Company, to any of its own trusts/funds maintained in respect of such provident fund, gratuity, leave encashment and any other special schemes or benefits created or existing for the benefit of its own employees, on no less favourable terms and conditions, and wind up/extinguish such trusts/funds of the Amalgamating Company. For the avoidance of doubt, it is clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company for such purpose shall be treated as having been continuous;
- (d) the Amalgamated Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other statutory/leave/terminal benefits to the employees of the Amalgamating Company, the past services of such employees with the Amalgamating Company shall also be taken



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

into account and the Amalgamated Company shall make the payment of retrenchment compensation, gratuity and other statutory/leave/terminal benefits accordingly, as and when such amounts are due and payable;

- (e) the Amalgamated Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Amalgamating Company with its employees prior to the Appointed Date and from the Appointed Date till the Effective Date;
- (f) upon this Scheme becoming effective, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its employees and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Amalgamated Company; and
- (g) notwithstanding anything to the contrary contained in this Scheme, any employee of the Amalgamated Company who is currently engaged by, or working in, the Amalgamating Company in any capacity whatsoever shall not be regarded as an employee of the Amalgamating Company and shall be treated only as an employee of the Amalgamated Company. Such an employee shall not be entitled to hold any additional positions or enjoy any additional privileges in the Amalgamated Company by virtue of him/her having held any such positions or enjoyed any such privileges in the Amalgamating Company and shall be restored to his/her erstwhile position in the Amalgamated Company. In case of conflict of any positions/designations between the current employees of the Amalgamated Company and the employees transferred from the Amalgamating Company as a consequence of this Scheme, the Board of Directors of the Amalgamated Company shall be entitled to re-classify the designation of any relevant employee to resolve such conflict;
- (viii) all the intellectual property rights of any nature whatsoever, including any and all registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to the Amalgamating Company, if any, shall stand transferred to and vested in the Amalgamated Company;
- (ix) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, goods and service tax, value added tax, sales tax, service tax, etc.) payable by or refundable to or being the entitlement of the Amalgamating Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Amalgamated Company, and any tax incentives, advantages, privileges, exemptions, credits (including input tax credit under Central Goods and Services Tax Act, 2017 and Integrated Goods and Services Tax Act, 2017), holidays, remissions, reductions, tax losses including brought forward business loss, unabsorbed depreciation etc., as would have been available to the Amalgamating Company, shall upon this Scheme becoming effective, be available to the Amalgamated Company;
- (x) the accounts of the Amalgamated Company as on the Appointed Date shall be reconstructed in accordance with the applicable provisions and terms of this Scheme. The Amalgamated Company shall be entitled to revise its income tax returns, wealth tax returns, tax deducted at source ("TDS") returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as goods and service tax, sales-tax, value added tax, excise duties, service tax, etc.;



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

- 30
- (xi) all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Amalgamating Company, or to the benefit of which the Amalgamating Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause 3.1.2, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;
- (xii) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 42, 62, 180, 185, 186 and 188 of the 2013 Act, and any other approvals under the 2013 Act or Companies Act, 1956, shall stand vested in the Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Amalgamated Company;
- (xiii) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Amalgamating Company, if any, shall be deemed to have been accrued to and, or, acquired for and on behalf of the Amalgamated Company and shall, upon this Scheme becoming effective, pursuant to the provisions of Section 232(4) of the 2013 Act, other applicable provisions of the 2013 Act, and the provisions of this Scheme, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company;
- (xiv) all lease, license or rent agreements entered into by the Amalgamating Company with various landlords, owners and lessors, unless the lessor / licensor in such lease / license or rent agreement is the Amalgamated Company, in which case, the relevant agreement shall become redundant and shall cease to have any effect), together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company shall continue to pay rent, or lease or license fee as provided for in such agreements, and the Amalgamated Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Amalgamated Company shall also be entitled to refund of security deposits paid under any lease, license or rent agreement by the Amalgamating Company if such a security deposit has not been refunded to the Amalgamated Company on or before the Effective Date; and
- (xv) all electricity connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Amalgamating Company, together with security deposits and all other advances paid, shall stand automatically transferred and vested in favour of the Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity companies, boards, agencies and authorities shall issue invoices in the name of the Amalgamated Company with effect from the billing cycle commencing from the month immediately succeeding the month in which an intimation of the approval of this Scheme by the Court is filed by the Amalgamated Company with them. The



for ZUARI CEMENT LIMITED

Page | 11


Authorized Signatory

Amalgamated Company and the relevant electricity companies, boards, agencies and authorities shall continue to comply with the terms, conditions and covenants associated with the grant of such connection. Without limiting the generality of the foregoing, the Amalgamated Company shall also be entitled to refund of security deposits paid to or placed with such electricity companies, boards, agencies, municipal corporation, statutory and other authorities by the Amalgamating Company.

- 3.2 Upon this Scheme becoming effective and the consequent amalgamation of the Amalgamating Company into and with the Amalgamated Company, the secured creditors of the Amalgamated Company, if any, shall only continue to be entitled to security and, or, encumbrance over such properties and assets forming part of the Amalgamated Company, as existing (in terms of time, value, nature, class and other conditions) immediately prior to the amalgamation of the Amalgamating Company into and with the Amalgamated Company and the secured creditors of the Amalgamating Company, if any, shall continue to be entitled to security and, or, encumbrance over such properties, assets, rights, benefits and interest of and in the Amalgamating Company, as existing (in terms of time, value, nature, class and other conditions) immediately prior to the amalgamation of the Amalgamating Company into and with the Amalgamated Company. For the avoidance of doubt, it is hereby clarified that all the assets of the Amalgamated Company and the Amalgamating Company which are not encumbered on the Effective Date shall remain free and available for creation of any security thereon in future in relation to any indebtedness that may be incurred by the Amalgamated Company. Any reference in any security documents or arrangements to which the Amalgamating Company is a party to the Amalgamating Company (whether referred to therein as a 'borrower', 'company' or other such terms) and its assets and properties, shall be construed as a reference to the Amalgamated Company and such relevant assets and properties of the Amalgamating Company, which shall stand transferred to the Amalgamated Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Amalgamated Company may execute any instruments or documents or do all the facts and deeds as may be considered appropriate, including the filing of necessary particulars and, or, modification of charge, with the relevant Registrar of Companies to give formal effect to the above provisions, if required. The provisions of this Clause 3.2 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which shall automatically modified and, or, superseded by the provisions of this Scheme, including the provisions of this Clause 3.2.
- 3.3 The Amalgamated Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Amalgamating Company, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company *inter alia* in its capacity as the successor entity of the Amalgamating Company. The Amalgamating Company and Amalgamated Company, as the case may be, shall make appropriate filings with the governmental authorities in order to give formal effect to the above provisions, and the relevant governmental authorities shall take on record the same, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company upon this Scheme becoming effective in accordance with the terms hereof.
- 3.4 The Amalgamated Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Amalgamating Company, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by such Amalgamating Company. For the avoidance of doubt, it is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company



for for ZNARI CEMENT LIMITED
Page | 12

Authorised Signatory

32

pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard *inter alia* in its capacity as the successor entity of the Amalgamating Company.

3.5 Conduct of business till Effective Date

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

- (i) the Amalgamating Company undertakes to carry on and shall be deemed to have carried on all its business activities and stand possessed of its properties and assets, for and on account of and in trust for the Amalgamated Company;
- (ii) all profits or income arising or accruing in favour of or received by the Amalgamating Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, goods and service tax, value added tax, sales tax, service tax, goods and services tax, etc.) or losses arising or incurred by the Amalgamating Company shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Amalgamated Company;
- (iii) the Amalgamating Company shall carry on its business with reasonable diligence and business prudence; and
- (iv) except by mutual consent of the Boards of Directors of the Amalgamating Company and the Amalgamated Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Amalgamating Company and, or, the Amalgamated Company as on the date of filing of this Scheme with the relevant authorities, or except as contemplated in this Scheme, pending sanction of this Scheme by the Tribunal, the Amalgamating Company and, or, the Amalgamated Company shall not make any change in their capital structures, either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies). In the event that the Amalgamating Company and, or, the Amalgamated Company change their capital structures either by way of an increase (by issue of equity shares, bonus shares, convertible securities or otherwise), decrease, reduction, reclassification, sub-division, consolidation, or re-organisation in any other manner, which would have the effect of bringing some change to the capital structures of such company(ies), during the pendency of this Scheme, the relevant provisions of this Scheme, including Clause 2.3.2, shall stand modified/adjusted accordingly to take into account the effect of such corporate actions.

3.5.2 (i) With effect from the Effective Date, the Amalgamated Company shall be authorized and entitled to carry on and shall carry on the business of the Amalgamating Company.

- (ii) For the purpose of giving effect to the amalgamation order passed under Sections 230 to 232 of the 2013 Act and other applicable provisions of the 2013 Act in respect of this Scheme by the Tribunal, the Amalgamated Company shall, at any time pursuant to the order approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Amalgamating Company, in accordance with the provisions of Sections 230 to 232 of the 2013 Act and other applicable provisions of the 2013 Act. The Amalgamated Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Tribunal.

(iii) Upon this Scheme becoming effective, the Amalgamated Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Amalgamating Company with effect from the Appointed Date, in order to give effect to the foregoing provisions.

3.6 Upon this Scheme becoming effective, the Amalgamating Company shall stand dissolved, without any further act or deed, without being wound-up. As a consequence of such dissolution, the Board of Directors and committees of the Amalgamating Company shall stand dissolved without any further act or omission.



for ZUARI CEMENT LIMITED

Ambrat
Authorised Signatory

4 CANCELLATION OF SHAREHOLDING AND ACCOUNTING TREATMENT**4.1 Change in Share Capital**

In consideration of the amalgamation contemplated in Part - III of this Scheme and as an integral part of this Scheme, the share capital of the Amalgamated Company shall be restructured in the manner set forth in this Clause 4.

4.2 Cancellation of Shareholding

4.2.1 Upon this Scheme becoming effective and upon transfer and vesting of all assets and liabilities of the Amalgamating Company into and with the Amalgamated Company in accordance with Part - III of this Scheme, no consideration shall be payable by the Amalgamated Company, since the Amalgamated Company is the only beneficial shareholder in the Amalgamating Company (either directly or through shares held along with other joint shareholders, where the Amalgamated Company is the first holder and is entitled to the entire beneficial and economic interest in such shares), and accordingly, no shares shall be allotted by the Amalgamated Company, or any other consideration paid, either to itself or to any of the joint shareholders holding shares in the Amalgamating Company along with the Amalgamated Company.

4.2.2 Upon this Scheme becoming effective, in the (consolidated / merged) balance sheet of the Amalgamated Company, investments of the Amalgamated Company being shares held in the Amalgamating Company (either directly or through shares held along with other joint shareholders, where the Amalgamated Company is the first holder and is entitled to the entire beneficial and economic interest in such shares) shall stand cancelled in their entirety.

4.3 Accounting Treatment

4.3.1 The Amalgamating Company is a wholly owned subsidiary of the Amalgamated Company. The amalgamation proposed in this Scheme being a business combination involving entities or businesses under common control. Accordingly, upon this Scheme becoming effective, the Amalgamated Company shall account for the amalgamation in its books of account in accordance with the method of accounting as prescribed under 'pooling of interest' method in Appendix C of Indian Accounting Standard (Ind AS) 103 on accounting for business combinations, issued by the Ministry of Corporate Affairs and any clarifications issued in this regard.

4.3.2 The accounting treatment shall be as under:

- (i) upon this Scheme becoming effective, for the purpose of accounting for and dealing with the value of the assets, liabilities, reserves, etc., in the books of account of the Amalgamated Company, financial statements of the Amalgamating Company shall be prepared as per the applicable Ind AS;
- (ii) all the assets, liabilities and reserves of the Amalgamating Company, as recorded in their respective financial statements referred to in sub-clause (i) above, shall be recorded in the books of accounts of the Amalgamated Company at the existing carrying amounts and in the same form. No adjustments shall be made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that may be made are to harmonise accounting policies / ensure uniformity of accounting policies. The Amalgamated Company shall also record in its books of accounts, all transactions of the Amalgamating Company in respect of assets, liabilities, income and expenses as per the applicable Ind AS;
- (iii) investment in the share capital of the Amalgamating Company shown in the books of accounts of the Amalgamated Company shall stand cancelled;



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

- (iv) any inter-company payables / receivables (including loans, advances or debtors, creditors etc.) between the Amalgamating Company and the Amalgamated Company, appearing in the books of account of the Amalgamated Company and the Amalgamating Company, shall stand cancelled without any further act or deed. For the avoidance of doubt, it is hereby clarified that with effect from Appointed Date, there will be no accrual of interest or other charges in respect of any loans, advances and other obligations as between the Amalgamating Company and the Amalgamated Company;
- (v) the financial information in the financial statements in respect of prior periods would be restated as if the business combination contemplated in this Scheme has occurred from the beginning of the earliest period presented in the financial statements, irrespective of the actual date of the combination. However, if business combination contemplated in this Scheme occurs after that date, the prior period information would be restated only from that date. However, for regulatory and tax purposes amalgamation would have been deemed to be effective from the Appointed Date;
- (vi) the balance of the retained earnings appearing in the financial statements of the Amalgamating Company would be aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company. Alternatively, it may be transferred to General Reserve, if any; and
- (vii) the difference, if any, between the value of total assets and total liabilities (including reserves) of the Amalgamating Company as recorded in its financial statements mentioned above, shall be recorded as per the applicable Indian Accounting Standard and any clarifications issued in this regard in the merged financial statements of the Amalgamated Company.
- 4.3.3 The identity of the reserves of the Amalgamating Company shall be preserved and shall appear in the financial statements of the Amalgamated Company in the same form in which they appeared in the financial statements of the Amalgamating Company. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of the Amalgamating Company, which are available for distribution to shareholders, whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Amalgamated Company, subsequent to this Scheme becoming effective.
- 4.3.4 In case of any differences in accounting policies followed by the Amalgamating Company from that of the Amalgamated Company will be quantified and be appropriately adjusted and reported in accordance with applicable accounting rules and principles in the books of the Amalgamating Company, so as to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policies.
- 4.3.5 Notwithstanding anything to the contrary contained in this Part - IV, the Board of Directors of the Amalgamated Company is authorised to account for any of the balances in any other manner or adopt such other accounting provisions / treatment, which are considered more appropriate, provided such accounting treatment is in accordance with the provisions of Indian accounting standard and applicable laws.
- 4.3.6 The accounting treatment proposed in this Scheme is in conformity with the accounting standards prescribed under Section 133 of the 2013 Act.



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

5 GENERAL TERMS AND CONDITIONS

5.1 Tax related provisions

5.1.1 This Scheme, has been drawn up to comply with: (i) the conditions relating to 'Amalgamation' as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961, and (ii) all relevant sections of the Income-tax Act, 1961, such that:

- (i) all the properties of the Amalgamating Company, immediately before the amalgamation, become the properties of the Amalgamated Company, by virtue of the amalgamation;
- (ii) all the liabilities of the Amalgamating Company, immediately before the amalgamation, become the liabilities of the Amalgamated Company, by virtue of the amalgamation; and
- (iii) the shares of the Amalgamated Company in the Amalgamating Company stands cancelled as a result of the amalgamation, in light of the Amalgamated Company being the sole beneficial shareholder of the Amalgamating Company.

5.1.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the relevant provisions of the Income-tax Act, 1961 at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the tax laws shall prevail. This Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments / modifications as may become necessary, shall solely vest with the Board of Directors of the Amalgamated Company and the Amalgamating Company, which power shall be exercised reasonably in the best interests of the companies concerned and their shareholders, and which power can be exercised at any time, whether before or after the Effective Date.

5.1.3 Upon this Scheme becoming effective, all tax liabilities, credits, privileges and benefits and entitlements under the Income-tax Act, 1961, Wealth Tax Act, 1957, Central Excise Act, 1944, Customs Act 1962, Central Sales Tax Act, 1956, Central Goods and Services Tax Act, 2017 and other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Amalgamating Company shall stand transferred to and be vested in the Amalgamated Company.

5.1.4 Notwithstanding anything to the contrary contained in the provisions of this Scheme, the Amalgamated Company shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, unabsorbed tax depreciation, credits for minimum alternate tax and input tax credits of the Amalgamating Company that remain unutilized as on the Appointed Date. Further, any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions as would have been available to the Amalgamating Company on or before Appointed Date shall be available to the Amalgamated Company.

5.1.5 Upon this Scheme becoming effective, the Amalgamated Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Amalgamating Company under applicable laws, including but not limited to income tax, sales tax, value added tax, service tax, CENVAT, input tax credit under Central Goods and Services Act, 2017 and Integrated Goods and Services Tax Act, 2017 or any other tax arising due to any *inter se* transaction between the Amalgamating Company and the Amalgamated Company ("Identified Transactions"), even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, it is hereby clarified that input tax credits already availed of or utilised by the Amalgamating Company and the Amalgamated Company in respect of Identified Transactions shall not be adversely impacted by the cancellation of such Identified Transactions pursuant to this Scheme.



for ZUARI CEMENT LIMITED

Authorised Signatory Page | 17

- 5.1.6 Upon this Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and, or, TDS credit available or vested with the Amalgamating Company, including any taxes paid and taxes deducted at source and deposited by the Amalgamating Company in regard to Identified Transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Amalgamated Company and shall be available to the Amalgamated Company for set-off against its liability under the Income-tax Act, 1961 and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Amalgamating Company on transactions shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Amalgamated Company. Any TDS deducted by, or on behalf of, the Amalgamating Company in regard to Identified Transactions shall be treated as tax deposited by the Amalgamated Company.
- 5.1.7 Upon this Scheme becoming effective, any service tax or any other tax charged by, for, or on behalf of, the Amalgamating Company on Identified Transactions and in respect of which CENVAT credit or any Input Tax Credit is not available or has not been claimed by the Amalgamating Company, shall be treated as service tax paid in cash by the Amalgamated Company, without any further action on the part of the Amalgamating Company and the Amalgamated Company.
- 5.1.8 The Amalgamated Company is expressly permitted to file or revise its corporate income tax, TDS, wealth tax, service tax, excise, VAT, entry tax, professional tax, goods and service tax or any other statutory returns, statements or documents, credit for advance tax paid, tax deducted at source, claim for sum prescribed under Section 43B of the Income-tax Act, 1961 on payment basis, deduction for provisions written back by the Amalgamated Company previously disallowed in the hands of the Amalgamating Company under the Income-tax Act, 1961, credit of tax paid under Section 115JB read with Section 115JAA of the Income-tax Act, 1961, credit of foreign taxes paid/withheld etc., if any, pertaining to the Amalgamating Company upon this Scheme becoming effective, and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Amalgamated Company is expressly permitted to amend, if required, its TDS/tax collected at source or other statutory certificates and shall have the right to claim refunds, tax credits, set-offs and, or, adjustments relating to its income or transactions entered into by it with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, the Amalgamating Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Amalgamated Company and the Amalgamated Company shall be entitled to claim credit or refund for such taxes or duties.
- 5.1.9 All tax assessments / proceedings / appeals of whatsoever nature by or against the Amalgamating Company pending on, or arising after the Appointed Date shall be continued and enforced until the Effective Date by the Amalgamating company. As and from the Effective Date, such tax assessments / proceedings / appeals shall be continued and enforced by or against the Amalgamated Company, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against the Amalgamating company.
- 5.1.10 All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of accounts of the Amalgamating Company and all intangible assets (including but not limited to goodwill) arising or recorded in the process of amalgamation in the books of accounts of the Amalgamated company shall, for all purposes, be regarded as an intangible asset in terms of explanation 3(b) to section 32(1) of the Income-tax Act 1961, and the Amalgamated Company shall be eligible for depreciation thereunder at the prescribed rates.
- 5.1.11 All compliances with respect to taxes or any other applicable laws between the Appointed Date and Effective Date, undertaken by the Amalgamating Company, shall, upon the effectiveness of this Scheme, be deemed to have been complied with, by the Amalgamated Company.
- 5.1.12 All the expenses incurred by the Amalgamated Company in relation to the amalgamation of the Amalgamating Company with the Amalgamated Company as per this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Amalgamated



for ZUARI CEMENT LIMITED

[Handwritten Signature]

Authorised Signatory

30

Company in accordance with section 35DD of the Income-tax Act, 1961 over a period of 5 (five) years beginning with the previous year in which this Scheme becomes effective.

5.2 Effective Date

The Amalgamating Company and Amalgamated Company shall file the certified copies of the relevant order(s) of the Tribunal approving this Scheme with the relevant Registrar of Companies, and the date of such filing shall be the date of effectiveness of this Scheme ("Effective Date"). For the avoidance of doubt, it is clarified that in case the Amalgamating Company and Amalgamated Company make such filings on different dates, then the last date on which such filings are made with relevant Registrar of Companies shall be deemed as taken as the relevant date.

5.3 Sequencing of Events

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date, and shall be deemed to have become effective and operative only in the sequence and in the order mentioned hereunder:

- (i) amendment to the main objects of Amalgamated Company as provided in Clause 2.4 of this Scheme;
- (ii) amalgamation of the Amalgamating Company into and with the Amalgamated Company in accordance with Part - III of this Scheme, the consummation of all actions necessary to appropriately record such an amalgamation in records of the Amalgamated Company;
- (iii) transfer of the authorised share capital of the Amalgamating Company to the Amalgamated Company as provided in Clause 2.3, and consequential increase in the authorised share capital of the Amalgamated Company as provided thereunder;
- (iv) cancellation of investments of the Amalgamated Company being shares held in the Amalgamating Company (either held in its own name or through its nominee shareholders) in terms of Clause 4.2 of this Scheme; and
- (v) dissolution of Amalgamating Company without winding-up.

5.4 Modifications to this Scheme and removal of difficulties

The Amalgamated Company and the Amalgamating Company, acting through their respective Boards of Directors, may: (i) assent to any modifications or amendments to this Scheme, which the Tribunal and, or, any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise during the course of sanction and, or, giving effect and, or, implementing this Scheme, or (ii) waive any of the requirements of this Scheme, where such waiver is necessary or desirable for settling any question or doubt or difficulty that may arise during the course of sanction and, or, giving effect and, or, implementing this Scheme, provided such waiver is in the interest of the Amalgamated Company and the Amalgamating Company. The Amalgamated Company, acting through its Board of Directors, be and is hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and, or, any matters concerning or connected therewith.

5.5 Withdrawal of this Scheme

Notwithstanding anything else to the contrary in this Scheme, the Amalgamated Company and the Amalgamating Company, acting through its respective Boards of Directors, shall be at liberty to withdraw from this Scheme for any reason as they deem fit, including in case any condition or alteration imposed by the Tribunal or any other authority is not acceptable to them.



for ZUARI CEMENT LIMITED

[Handwritten Signature]
Authorised Signatory

Page | 19

5.6 **Costs and Expenses**

All costs, expenses, charges, fees, taxes, duties, levies and all incidental expenses arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by the Amalgamated Company.

5.7 **Binding Effect**

Upon this Scheme becoming effective, it shall be binding on the Amalgamating Company, the Amalgamated Company, their respective shareholders, creditors and all other stakeholders. In the event of any conflict or inconsistency between the provisions of this Scheme and any of the terms and conditions of any arrangement, agreement or contract subsisting on the Effective Date between the Amalgamating Company, Amalgamated Company, and, or, their shareholders, creditors and other stakeholders, then the provisions of this Scheme shall prevail insofar as such conflict or inconsistency is concerned.

5.8 **Severability**

If any part of this Scheme is invalid, ruled illegal by any court/governmental authority, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Amalgamated Company and the Amalgamating Company, acting through their respective Boards of Directors, shall attempt to bring about appropriate modification to this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

5.9 **Declaration of Dividend**

- (i) The Amalgamating Company and the Amalgamated Company shall be entitled to declare and pay dividends, whether interim and, or, final, to their respective shareholders prior to the Effective Date.
- (ii) The holders of the shares of the Amalgamating Company and the Amalgamated 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.
- (iii) For the avoidance of doubt, 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 shareholder of the Amalgamating Company and, or, the Amalgamated Company to demand or claim any dividends which, subject to the provisions of the 2013 Act, shall be entirely at the discretion of the respective Boards of Directors of the Amalgamating Company and the Amalgamated Company, and if applicable as per the provisions of the Articles of Association, and the 2013 Act, be subject to the approval of the shareholders of the Amalgamating Company and the Amalgamated Company respectively.

5.10 **Miscellaneous**

- 5.10.1 The transfer of properties and liabilities to, and the continuance of proceedings by or against the Amalgamated Company, as envisaged in Part - III above shall not affect any transaction or proceedings already concluded by the Amalgamating Company on or before Appointed Date, and after Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.
- 5.10.2 The provisions of this Scheme shall be applicable and come into operation from the Appointed Date, although this Scheme shall become effective only on the Effective Date.
- 5.10.3 Upon this Scheme becoming effective, the resolutions, if any, of the Amalgamating Company, which are valid and subsisting on the Effective Date, shall continue to be valid



for ZUARI CEMENT LIMITED

Page | 20

Authorised Signatory

60

and subsisting and be considered as resolutions of the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the 2013 Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the aggregate of the said limits in the Amalgamated Company.

- 5.10.4 Without prejudice to the generality of other provisions of this Scheme and notwithstanding anything to the contrary contained in this Scheme, the Board of Directors of the Amalgamated Company shall have the option and shall be entitled to make suitable accounting entries at the time of closing of the books of accounts for the first financial year post the effectiveness of this Scheme as they may deem fit to give effect to the intent herein.
- 5.10.5 The relevant Registrar/Sub-Registrar of Assurances, Tehsildar/Collector, municipal corporation, panchayat and other land authorities where the immovable properties of the Amalgamating Company, if any, are located shall, post effectiveness of this Scheme, cause the record of title to be mutated in the land records so as to give effect to this Scheme and to vest such immovable properties in the Amalgamated Company.
- 5.10.6 The Amalgamated Company and, or, the Amalgamating Company, shall, with all reasonable dispatch, make respective applications to the Tribunal, under Sections 230 to 232 of the 2013 Act and other applicable provisions of the 2013 Act, seeking orders for dispensing with or convening, holding and, or, conducting of the meetings of the classes of their respective shareholders and, or, creditors and for sanctioning this Scheme with such modifications, as may be approved by the Tribunal.
- 5.10.7 Upon this Scheme becoming effective, the shareholders of both, the Amalgamated Company and the Amalgamating Company, shall be deemed to have also accorded their approval under all relevant provisions of the 2013 Act, for giving effect to the provisions contained in this Scheme.



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

Schedule 1 – Details of the Freehold Properties of the Amalgamating Company

All that piece and parcel of land admeasuring 5.01 (five point zero one) Acres comprised in the villages of Dondapadu, Buggamadhavaram and Muktheswarapuram, Nalgonda and Krishna Districts, together with all construction and, or improvements thereon, more particularly described below:

Item No. 1:

All that piece and parcel of the agricultural land comprised in Sy. No. 243 (243/A) measuring 2.10 (two point one zero) Acres out of 4.20 (four point two zero) Acres, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Land of Velpula Subbaiah
South by: Remaining land of Anusuryamma and others
East by: Remaining land of Anusuryamma and others
West by: Land of Amaranayani Murlidhar Rao

Item No. 2:

All that piece and parcel of the agricultural land comprised in Sy. No. 243 (243/A) measuring 0.12 (zero point one two) Acres out of 4.20 (four point two zero) Acres, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Item No. 1 (2.10 Acres)
South by: Land of Amaranayani Ranga Rao
East by: Remaining land of Anusuryamma and others
West by: Land of Amaranayani Murlidhar Rao

Item No. 3:

All that piece and parcel of the agricultural land comprised in Sy. No. 240 (240/A/B/C) measuring 13 (thirteen) Cents, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District.

Item No. 4:

All that piece and parcel of the agricultural land comprised in Sy. No. 241 measuring 13 (thirteen) Cents, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

With a common boundary:
North by: Land of Velpula Satyanarayana
South by: Land of the Amalgamating Company
East by: Land of Velpula Subbaiah and stream
West by: Remaining land of Velpula Subbaiah and stream

Item No.5:

All that piece and parcel of the agricultural land comprised in Sy. No. 240 measuring 22.5 (twenty two point five) Cents, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Remaining lands of Velpula Satyanarayana and another
South by: Land of Velpula Subbaiah
East by: Stream
West by: Remaining land of Velpula Satyanarayana and another

Item No. 6:

All that piece and parcel of the agricultural land comprised in Sy. No. 202 measuring 34 (thirty four) Cents, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

North by: Remaining land of B. Ramanamma
South by: Land of Yada Kumar Raja
East by: Stream
West by: Road

62

Item No. 7:

All that piece and parcel of the agricultural land comprised in Sy. No. 208 (208/E) measuring 27 (twenty seven) Cents out of 4.12 (four point one two) Acres, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Land of G. Rajamukeshwar Rao and Nomula Satyanarayana
South by: Land of G. Rajamukeshwar Rao
East by: Land of Battagiri Ramanamma
West by: Buggamadhavaram Road

Item No. 8:

All that piece and parcel of the agricultural land comprised in Sy. No. 243 (243/B) measuring 15 (fifteen) Cents out of 4.19 (four point one nine) Acres, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Land of Amalgamating Company
South by: Land of Uppelli Koteswar Rao
East by: Remaining land of Satyavati and another
West by: Land of Amaranayani Muralidhar Rao

Item No. 9

All that piece and parcel of the land bearing H. No. 8-123/1 measuring 242 Sq.Yds (5 (five) Cents), Dondapadu Village, within the limits of Buggamadhavaram Gram Panchayat of Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Gramapanchayat Road
South by: Site of Manda Gopaiah
East by: Site of Polepangu Venkataratnam
West by: Land of Amaranayani Muralidhar Rao

Item No. 10:

All that piece and parcel of the land bearing H. Nos. 8-119, 8-119/A, 8-119/C & 8/125 measuring Cents 145.2 sq. yards (3 Cents), Dondapadu Village, within the limits of Buggamadhavaram Gram Panchayat of Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Site of Polepangu Abraham
South by: Gramapanchayat Road
East by: Government Road
West by: Site of Manda Gopaiah

Item No. 11:

All that piece and parcel of the land bearing H. No. 8-124, measuring 169.4 sq. yards (3.5 Cents), Dondapadu Village, within the limits of Buggamadhavaram Gram Panchayat of Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Government Road
South by: Site of Bayyarapu Yesobu and others
East by: Government Pedestrian's way
West by: Site of Uppelli Koteswar Rao



for ZUARI CEMENT LIMITED

[Signature]
Authorised Signatory

Item No. 12:

All that piece and parcel of agricultural land bearing Sy. No. 41 measuring 7 (seven) Cents Muktheswarapuram Village, Jaggayyapeta Mandal, Krishna District and the land is bounded by:

North by: Muktheswarapuram to Dondapadu Road
South by: Remaining land of M. Lakshmi
East by: Land of Vangaveeti Rama Rao
West by: Land of Vangaveeti Rama Rao

Item No. 13:

All that piece and parcel of agricultural land bearing Sy. No. 40/2 measuring 18 (eighteen) Cents, Muktheswarapuram Village, Jaggayyapeta Mandal, Krishna District and the land is bounded by:

North by: Muktheswarapuram to Dondapadu R&B Road
South by: Remaining land of D. Srinivas
East by: Land of Dasari Veeraiah
West by: Village limits of Mukteswaram - Dondapadu

Item No. 14:

All that piece and parcel of agricultural land bearing Sy. No. 40/3 measuring 5 Cents, Muktheswarapuram Village, Jaggayyapeta Mandal, Krishna District and the land is bounded by:

North by: Muktheswarapuram to Dondapadu R&B Road
South by: Remaining land of Lingamma
East by: Land of Venkateswar Rao
West by: Land of Dasari Srinivas

Item No. 15:

All that piece and parcel of the land bearing H. No.8-119/B measuring 55 (fifty five) sq. yards, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Gramapanchayat Road
South by: Land of Amaranayani Satyanarayana Rao
East by: Government Road
West by: Land of B. Ramarao

Item No. 16:

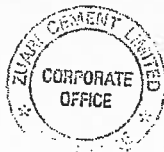
All that piece and parcel of the agricultural land comprised in Sy. No. 6 measuring 80 (eighty) Cents, Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Land of Velpula Subbaiah
South by: Land of S. Sudarshan Rao
East by: Krishna River
West by: Land of Amalgamating Company

Item No. 17:

All that piece and parcel of the land bearing H. Nos.8-122 and 8-123 measuring 2 (two) Cents (96.8 sq. yards), Dondapadu Village, Mellacheruvu Mandal, Nalgonda District and the land is bounded by:

North by: Site of U. Koteswara Rao and P. Eswaramma
South by: Gramapanchayat Bazar
East by: Site of Bayyrapu Esobu and Samelu and others
West by: Site of Ilupanuthi Ramulu and A. Muralidhar Rao



for ZUARI CEMENT LIMITED

Authorised Signatory

Item No. 18:

64
All that piece and parcel of the agricultural land bearing Sy. No. 41 measuring 29 (twenty nine) Cents and 652 (Six hundred and fifty two) square links, Muktheswarapuram Village, Jaggayyapeta Mandal, Krishna District and:

On western side 14 (fourteen) cents 307 (three hundred and seven) Square links land bounded by:

North by: R&B Road
South by: Remaining land of Ranganayakamma and others
East by: Land of Madhira Lakshmi
West by: Land of Velaga Sudhira Devi

On eastern side 15 (fifteen) cents 345 (three hundred ad forty five) Square links land bounded by:

North by: R &B Road
South by: Remaining land of Ranganayakamma and others
East by: Land of Raja Vasireddy Rajyalakshmi
West by: Land of Madhira Lakshmi



for ZUARI CEMENT LIMITED

D. S. S. S.
Authorised Signatory