

SCHEME OF AMALGAMATION

UNDER SECTIONS 230 TO 232

OF

THE COMPANIES ACT, 2013

OF

MACKEIL ISPAT & FORGING LIMITED

(“TRANSFEROR COMPANY”)

WITH

CHANDI STEEL INDUSTRIES LTD

(“TRANSFeree COMPANY”)

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

GENERAL:

1. This Scheme of Amalgamation (“the Scheme”), provides for the Amalgamation of Mackeil Ispat & Forging Limited (hereinafter referred to as “MIFL” or Transferor Company) with Chandi Steel Industries Ltd (hereinafter referred to as “CSIL” or Transferee Company). The Scheme is made pursuant to provisions of Sections 230 and 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

A. DESCRIPTION OF THE COMPANIES:

1. **MACKEIL ISPAT & FORGING LIMITED** (“MIFL” or “Transferor Company”) having Corporate Identification Number (“CIN”) U27109WB2005PLC104575, having Permanent Account Number (“PAN”) AAECM8197P, is a Public Limited Company incorporated on 04th August, 2005 under the Companies Act, 1956 and having its registered office at Siddha Weston, 2nd Floor, Room No. 203, 9 Weston Street, Kolkata 700013, West Bengal, India.
2. **MIFL** has been incorporated with, *inter-alia*, the following main objects:
 - (a) *To carry on the business of manufacturing of steel melting shop through Electric ARC Furnace and Ladel Furnace finished by VAD and finally by way of forging press,*

different types of forging, ingot casting, Bloom, Billet and other related engineering, forging casting item, selling, re-selling, trading, importing, exporting, distributing hire-selling on hire-purchase system, commission agents and/or otherwise deal with all types of power transmission equipments and spares, gear box assly, crane wheel, bogie assly, wheel pair assly, roller assly, couplings, clutches, pulleys, bearings, housing shafts and intermediate products hereinbefore mentioned by establishing a new unit or by taking over and existing unit or a unit which has made some progress in establishing a new unit.

(b) To carry on the business of metal founders, melters, metal makers, shapers, metal alloys, metal plates, metal tubes, processing metals into castings, forgings, rolling, re-rolling, drawing, extruding, galvanising, plating, annealing, enamelling, machining and smith metallurgist and to make and deal in forged components and accessories, workshop tools, hardware materials.

3. **CHANDI STEEL INDUSTRIES LTD** (“CSIL” or “Transferee Company”) having Corporate Identification Number (“CIN”) L13100WB1978PLC031670, having Permanent Account Number (“PAN”) AABCC0523C, is a Public Limited Company incorporated on 09th September, 1978 under the Companies Act, 1956 and having its registered office at 3 Bentinck Street, PS Hare Street, Kolkata 700001, West Bengal, India. The equity shares of the Transferee Company were listed on The Calcutta Stock Exchange Limited (“CSE”) which got delisted with effect from 3rd December, 2025.

4. **CSIL** has been incorporated with, *inter-alia*, the following main objects:

(a) To become vested with the partnership business now being carried on under the name and style of Haryana Steel Corporation, including all its assets, moveable and immoveable rights, quotas, licences, debts & liabilities and the rights & liabilities of the parties hereto in the said partnership business and in connection therewith.

(b) To carry on all and or any business as manufacturers, processors, rollers, re-rollers, refiners, smelters, converters, producers, galvanisers, assemblers, fitters, engineers, erectors, founders, makes, drawers, workers, repairers, hirers, hire-purchase, dealers, exporters, importers, traders, contractors, dealers, distributors, stockists, buyers, sellers, properties, agents, merchants, suppliers and dealers in all kinds and forms of ferrous and non-ferrous metals and alloys, ferro alloys, machineries castings, forgings machinery parts, accessories, tools, and implements, articles, including mild high carbon, spiring high speed tool, alloy, stainless and special steels, iron, metals and alloys ingots, billets, bars, joists, rods, squares, structurals, tubes, poles, pipes, sheets, castings, wires, rails, rolling materials, roller other materials made wholly or partly of iron, steel, alloys aluminium, zinc, copper, tin, lead and other metals, required in or used for industrial, agricultural, transport, mining, export commercial domestic building, hospital, surgical

or scientific appliances power transmission and/ or construction purposes.

- (c) *To carry on business as iron masters, iron founders, iron workers, steel makers, electric and blast furnace proprietors, brass founders and metal smelters, refiners, and workers, generally iron and steel converters, smiths, tin place makers, manufacturers of industrial agricultural and other fittings, parts and all kinds of merchandise, tools and implements, boiler makers and metallurgists.*
- (d) *To carry on any other business whether manufacture or otherwise that may seem to the company capable of being conveniently carried on in connection with the above object or calculated directly or indirectly to enhance the value or render profitable any of the Company's property or rights or which it may be advisable to undertake with a view to improve, render valuable or true to account any property real or personal belonging to the company or in which the company may be interested.*
- (e) *To purchase, take on lease, hire or otherwise acquire, whether in India or abroad, and either singly or jointly (with or without surface) any mines, quarries, easements, sea bed, refineries, gas fields, oil fields, wells, rigs, raftings, lands and hereditaments or other property incidental for the aforesaid, ground, mining and other rights, grants, patents, permissions, concessions and to prospect explore, examine, work, raise, bring to surface, extract, pump, drill, operate, exercise, develop, quarry, assay, refine, purify, distill, dress, amalgamate, manipulate, wash, process, beneficiate, calcine, smelt, blend, reduce, crush, cut, polish, size, prepare for market and generally to carry on all kinds of business of mining, exploring, drilling, manufacturing, producing, processing, refining, liquefaction, re-gasification, compression, beneficiation, washery, crusher, distribution, trading, importing, exporting, storing and transporting of all kinds and types of coal, lignite, oil, natural gas, hydrocarbon products or substances, fossil, fuel, iron ore, bauxite, manganese, silica, chrome, chromium, manganese, phosphates, quartz, copper, tin, feldspar, dolomite, limestone, nickel, sulphur, gold, silver, earth, talc, stones, rock, brimstone, mercury, kyanite, clay, calcium, beryllium, zinc, lead, asbestos, mica, platinum, tungsten, titanium, uranium, nuclear fuel, diamond, sapphire, ruby, topaz, garnet, emerald, other precious stones, all sorts of major and minor minerals, metal & mineral substances of all kinds, drilling platforms, rigs, specialized vessels, ships, equipments, machineries, ancillaries, spares, stores or any other item essential to undertake such activities/services successfully, to undertake contract for seismic activities or surveys, research, data collection and interpretation and all other technical, non technical or specialized services, in the aforementioned filed.*

B. RATIONALE FOR THE SCHEME:

The amalgamation of MIFL (“the Transferor Company”) with CSIL (“the Transferee Company”) would, inter alia, have the following benefits:

- a. The amalgamation would result in improving the potential for further expansion of businesses by way of consolidation of capital base and increased borrowing strengths of the combined entity.
- b. Optimal utilisation of resources due to pooling of management, administrative and technical skills of various resources of both companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs.
- c. Creation of asset base and facilitating access to better financial resources; and.
- d. Greater size, scale, financial strength and flexibility for the merged Transferee Company will result in maximizing and unlocking overall shareholders value.

In view of the aforesaid, the Board of Directors of the Applicant Companies have considered and proposed the amalgamation of the entire undertaking and business of MIFL with CSIL in order to benefit the stakeholders of the Applicant Companies concerned. Accordingly, the Board of Directors of all the Companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of MIFL with CSIL pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013. To give effect to the proposals contained herein, this Scheme of Amalgamation is presented for approval to the National Company Law Tribunal, Kolkata Bench.

C. PARTS OF THE SCHEME:

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company.
- (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company.
- (iii) **Part III** deals with issue of Equity Shares by the Transferee Company to the eligible shareholders of the Transferor Company.
- (iv) **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and the applicability of the Income Tax Act, 1961.

- (v) **Part V** deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

The amalgamation of MIFL (“the Transferor Company”) with CSIL (“the Transferee Company”) pursuant to and in accordance with this Scheme shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS:

In this Scheme, the following expressions, unless repugnant to the context, shall have the meaning assigned hereto:

1. **“Act”** means the Companies Act, 2013 and the rules made there under, including any statutory modifications, re-enactments or amendments for the time being in force.
2. **“Appointed Date”** means **1st April, 2025** or such other date as the Hon’ble National Company Law Tribunal, Kolkata Bench may direct. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, unless otherwise specified in the Scheme, shall be effective from the Appointed date but shall be operative from the Effective Date i.e. the date on which a certified copy of the Order of the Hon’ble Tribunal sanctioning this Scheme is filed with the Registrar of Companies, West Bengal;
3. **“Assets”** in relation to the Transferor Company means Fixed Assets, Investments, Current Assets, Loans and Advances, debit balance in Profit and Loss account, if any, and any other assets as per the books of the Transferor Company as on 31.03.2025.
4. **“Board”** means the Board of Directors of MIFL and CSIL including any Committees thereof.
5. **“Clause”** means a clause in this Scheme.
6. **“CSIL”** means Chandi Steel Industries Limited, company incorporated on 09th September, 1978 under the provisions of the Companies Act, 1956 and having its registered office at 3 Bentinck Street, PS Hare Street, Kolkata 700001, West Bengal, India.
7. **“Effective Date”** means the date on which a certified copy of the Order of the Hon’ble Tribunal sanctioning this Scheme is filed with the Registrar of Companies, West Bengal.

8. **“Liabilities”** in relation to the Transferor Company means Loan Funds, Current Liabilities, Reserves and Surpluses (including balance in Profit and Loss Account), provisions, if any, and all other liabilities of the Transferor Company as per the books of the Transferor Company as on 31.03.2025.
9. **“MIFL”** means Mackeil Ispat & Forging Limited, company incorporated on 04th August, 2005 under the provisions of the Companies Act, 1956 and having its registered office at Siddha Weston, 2nd Floor, Room No. 203, 9 Weston Street, Kolkata 700013, West Bengal, India.
10. **“NCLT”** or **“Tribunal”** shall mean the National Company Law Tribunal, Kolkata Bench having jurisdiction in relation to the Applicant Companies.
11. **“Proceedings”** include any suit, appeal or any legal proceeding of whatsoever nature, in any Court of law or tribunal or any judicial or quasi-judicial body or any assessment proceeding before any authority under any law and also arbitration proceeding.
12. **“Record Date”** means the date to be fixed by the board of directors of the Transferee Company for the purpose of determining the equity shareholders of the Transferor Company to whom shares of the Transferee Company will be allotted pursuant to this Scheme.
13. **“Registrar of Companies”** means the Registrar of Companies, Kolkata, West Bengal.
14. **“Scheme”** means this Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders in the present form as submitted to the Tribunal for sanction with any modification(s) approved or imposed or directed by the Tribunal.
15. **“Transferee Company”** means “CSIL”.
16. **“Transferor Company”** means “MIFL”.
17. **“Undertaking of the Transferor Company”** means the entire business and the whole of the undertaking of the Transferor Company as a going concern together with all its assets, rights, licenses and powers and all its debts, liabilities, outstanding, duties and obligations as on the Appointed Date and without prejudice to the generality of the foregoing clause, the said undertaking shall include:
 - (a) All the assets, properties, current assets, investments, claims, authorities, allotments, approvals, consents, licenses, registration, contracts, concessions, engagements, arrangements, estates, interests, intellectual property rights, powers, rights and titles, benefits and advantages, if any, of whatsoever nature and wherever situated of every description belonging to or in the ownership,

power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date, and

- (b) All the debts, duties, liabilities and obligations of every description of or pertaining to the Transferor Company and standing in the books of Transferor Company as on the Appointed Date as provided herein.
- (c) Without prejudice to the generality of the foregoing mentioned hereinabove, the term “Undertaking of the Transferor Company” shall include the entire business which is being carried out under the name and style of the Transferor Company and shall include the advantages of whatsoever nature, agreements, allotments, approvals, arrangements, authorizations, benefits, capital work-in-progress, concessions, rights and assets, industrial and intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, permits, consents, clearances, approvals, certificates, powers of every kind, nature and description whatsoever, privileges, quota, rights, registration, reserves, waivers, acknowledgments including but not limited to the relevant factory licenses, environmental clearances/consents/approvals, all supply arrangements/ linkages/ agreements and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, if any, and all benefits including subsidies, grants, incentives, tax credits, electricity permits, right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, tenancy rights, titles, trademarks, trade names, if any, and all other utilities held by the Transferor Company or to which the Transferor Company are entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by the Transferor Company and all other interest wheresoever situated, belonging to or in the ownership, power or possession of or in the control of or vested in or granted in favour of or enjoyed by or arising to the Transferor Company.

2. **SHARE CAPITAL:**

1. The details of Share Capital of MIFL as on 31.03.2025 is as under:

PARTICULARS	AMOUNT (Rs.)
Authorized Capital: 2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000
Total	20,00,00,000

Issued, Subscribed and Fully Paid-up Capital: 12,50,000 Equity Shares of Rs. 10/- each	1,25,00,000
Total	1,25,00,000

2. The details of Share Capital of CSIL as on 31.03.2025 is as under:

PARTICULARS	AMOUNT (Rs.)
Authorized Capital: 3,70,00,000 Equity Shares of Rs. 10/- each	37,00,00,000
Total	37,00,00,000
Issued, Subscribed and Fully Paid-up Capital: 3,16,05,000 Equity Shares of Rs. 10/- each	31,60,50,000
Total	31,60,50,000

Subsequent to above, there is no change in the Capital Structure of the Transferee or Transferor Company.

PART II

TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY TO AND IN THE TRANSFEREE COMPANY

3. TRANSFER OF “UNDERTAKING” OF THE TRANSFEROR COMPANY:

3.1. **Generally:** Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the sanction of this Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stands transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be done, made, executed so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

3.2. Transfer of assets:

3.2.1. Without prejudice to the generality of the clause 3.1 above, upon coming into effect of this Scheme and with effect from the Appointed date:

- (a) All the assets and properties comprised in the Undertaking, of whatsoever nature and wheresoever situate, whether or not recorded in the books of the Transferor Company, including assets and properties acquired on or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stands transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.
- (b) In respect of such of the assets and properties of the Undertaking of the Transferor Company as are immovable in nature, whether held as fixed assets and/or inventory, the same shall be so transferred by the Transferor Company, and shall, upon such transfer become, as and from the Appointed Date, the immovable assets of the Transferee Company, and it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this clause. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such instruments, deeds and writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances on part of the Transferor Company, to be carried out or performed in order to give effect to the provisions of this clause.
- (c) Without prejudice to the provisions of 3.2.1 (a) above, in respect of such of the assets and properties of the Transferor Company that are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (d) In respect of movables other than those dealt with in clause 3.2.1 (c) above, assets including sundry debts, receivables, claims, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi-government, local or other authority or body or with any company or other person, if any, the same shall on and from the Appointed Date stands transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or

depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

- (e) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stands transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

3.3. Transfer of Liabilities:

- 3.3.1.** Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings (including warranties and guarantees given) of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (Herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with, any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further 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 Liabilities have arisen in order to give effect to the provisions of this Clause.

- 3.3.2.** All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme, which shall meet, discharge and satisfy the same.
- 3.3.3.** Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the appointed Date have been discharged or satisfied by the Transferor Company after the appointed date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.4.** All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 3.3.5.** Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 3.3.6.** Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

4. ENCUMBRANCES:

- 4.1. The transfer and vesting of the assets comprised in the Undertaking of the Transferor Company to and in the Transferee Company under clause 3 shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 4.2. All the existing securities, mortgages, charges, encumbrances or liens (“the Encumbrances”), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no such encumbrances shall have been created by the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 4.3. The existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.4. Any reference in any security documents or arrangements (to which the Transferor Company are a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/ or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.
- 4.5. Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to it in terms of this Scheme.
- 4.6. It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

4.7. The provisions of this clause shall operate in accordance with the terms of this Scheme, notwithstanding anything contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

5. **CONTRACTS, DEEDS, ETC.:**

5.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.

5.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

5.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee 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 Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

6. **LEGAL PROCEEDINGS:** On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
7. **TRANSFER OF PROFITS/ LOSSES AND RESERVES:** With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure (including payment of penalty, damages or such litigation, if any) arising or incurred by the Undertaking of the Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of the Transferee Company;
8. **TRANSFER OF AUTHORISED CAPITAL:** Upon the Scheme coming into effect and pursuant to Section 232(3) of the Company Act, 2013, the Authorized Share capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. Provided however that pursuant to this scheme only such amount of Authorized Capital of the Transferor Company would be added to the Authorized Share Capital of the Transferee Company as can be raised by the Transferee Company by utilizing the fees already paid by the Transferor Company on its Authorized Share Capital which is available for set-off against any fees payable by the Transferee Company for increase in the Authorized Share Capital. The Clause VI of the Memorandum of Association of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under the provisions of the Companies Act, 2013 would be required to be separately passed.
9. **CONDUCT OF BUSINESS:**
 - 9.1. With effect from the Appointed Date and up to and including the Effective Date:
 - (a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for the Transferee Company.
 - (b) All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

(c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent of the Transferee Company.

9.2. With effect from the date of filing of this Scheme with the Tribunal and up to and including the Effective Date, the Transferor Company shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:

- i. If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the Tribunal; or
- ii. if the same is permitted by this Scheme; or
- iii. If written consent of the Board of Directors of the Transferee Company has been obtained.

9.3. The Transferor Company shall not, without the prior written consent of the Board of Directors of the Transferee Company, take, enter into, perform or undertake, as applicable,

- (a) any material decision in relation to its business and affairs and operations;
- (b) any agreement or transaction (other than an agreement or transaction in the ordinary course of the Transferor Company business); and
- (c) such other matters as the Transferee Company may notify from time to time;
- (d) Without prejudice to the generality of above, the Transferor Company shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis or bonus shares), decrease, reduction, reclassification, subdivision or consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio, except under any of the following circumstances:
 - i. by mutual consent of the respective Board of Directors of the Transferor Company and of the Transferee Company; or
 - ii. as may be permitted under this Scheme.

- 9.4. **No changes in the terms and conditions of the employment of the Transferor Company Employees:** From the date of acceptance of the Scheme by the respective Boards of Transferor Company and Transferee Company, the Transferor Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;
- 9.5. **Enforcement of Legal Proceedings:** All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitration, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reasons of this Scheme or the transfer of the Undertaking of the Transferor Company or of anything contained in this Scheme, but the said proceedings, shall till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company as if this scheme had not been made and thereafter be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted, enforced by or against the Transferor Company if this Scheme had not been made. The Transferee Company shall take steps to have the abovementioned proceedings continued in its name.
- 9.6. **Enforcement of Contracts:** Subject to the other provisions of this Scheme, all lawful agreements, arrangement, bonds, contracts, deeds and other instruments of whatsoever nature relating to the Undertaking of the Transferor Company and to which the Transferor Company are party to or to the benefit of which it may be eligible and which are subsisting or operative or having effect, shall till the Effective Date, be in full force and effect and may be enforced as fully and effectual, as if the Scheme had not been made and thereafter, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectual as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferee Company and other parties thereto. The Transferee Company shall enter and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.
- 9.7. **Rights of Shareholders:** The holders of shares of the Transferor Company and the Transferee Company shall, save as otherwise provided under this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective Company of which they are members till the Effective Date.

9.8. **Place of Vesting:** The vesting of the Undertakings shall by virtue of the provisions of this Scheme and the effect of the provisions of Section 232 of the said Act, take place at the registered office of the Transferee Company.

10. APPLICABILITY OF PROVISIONS OF INCOME TAX ACT, 1961 AND OTHER TAX LAWS

10.1. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary, to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

10.2. Upon Scheme becoming effective, the Transferee Company shall be entitled to:

- a) all benefits, entitlements, incentives, claims, any and all types of tax credits, including but not limited to, Minimum Alternate Tax, all types of tax payments made including but not limited to advance tax, self-assessment tax, tax on distributed income, other taxes paid, fees etc., all credits of tax deducted at source and tax collected at source, tax refunds due under the laws pertaining to income-tax, all types of credits pertaining to GST, excise duty, sales tax, VAT, service tax, custom duty, stamp duty, local and municipal taxes and levies including trade licence fees, all state government taxes including professional tax, that were available to the Transferor Company(ies) prior to the merger-
- b) benefits of adjustment of all types of brought forward losses in terms of the provisions of various prevailing revenue laws, including without limitation, Income-tax Act 1961 or other applicable laws/regulations dealing with taxes/duties/levies in the hands of the transferee company.
- c) undertake any and all actions necessary, including but not limited to filing/revising amended tax returns, TDS Returns and other statutory Returns and engaging in discussions or negotiations with tax authorities, to maximize the claim and utilization of such tax credits.
- d) continue and enforce all tax assessment proceedings/appeals/ adjudications of whatever nature by or against the Transferor Company(ies) in the same manner and to the same

extent as would or might have been continued or enforced by the Transferor Company(ies).

10.3. The Transferee Company and Transferor Company shall undertake all necessary acts and deeds as may be required to facilitate the transfer and utilization of such tax credits including the exchange of relevant tax information and documents. Any tax benefits realized from the claim of these tax credits shall accrue solely to the benefit of the Transferee Company.

11. EMPLOYEES OF THE TRANSFEROR COMPANY:

Upon the coming into effect of this Scheme:

- (a) Employees, if any, of the Transferor Company who are in its employment as on the Effective Date shall become employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and other terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement or settlement, if any, validly entered into by the Transferor Company with any union/employees of the Transferor Company and recognized by the Transferor Company. After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.
- (b) The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "**Funds**") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not

have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

12. SAVING OF CONCLUDED TRANSACTIONS:

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 3 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

13. CREDITORS:

- 13.1. The Scheme does not involve any compromise or composition with the creditors of the Transferor Company or the Transferee Company except as provided in point No.16 and the rights of the creditors of the Transferor Company or the Transferee Company are not to be affected in any manner.
- 13.2. The charge and/or security of the secured creditors of the Transferor Company and the Transferee Company shall remain unaffected by this Scheme.

PART III

ISSUE OF EQUITY SHARES BY THE TRANSFEE COMPANY

14. ISSUE OF EQUITY SHARES BY CSIL

14.1. Issue of Equity Shares to MIFL:

Upon the scheme becoming operative, in consideration of the transfer and vesting of MIFL in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further application or deed (except as outlined elsewhere) issue and allot to the equity shareholders of MIFL, whose name is recorded in the Register of Members of MIFL on the record date or his/her heirs, executor, administrators or the successors in title, as the case may be, 77 (Seventy Seven) Equity Shares of Rs. 10/- each in the Transferee Company, credited as fully paid-up for every 100(Hundred) Equity Shares of Rs. 10/- each,

held by such member in MIFL on such terms and conditions as the Board of the Transferee Company may determine.

- 14.2. In case the Transferor Company make any allotment of shares between the Appointed Date and the Effective Date, the said allottees shall also upon the Scheme becoming operative, in consideration of the transfer and vesting of the Transferor Company in the Transferee Company in terms of this Scheme, shall without any further application or deed, be issued and allotted Equity Shares in the Transferee Company, credited as fully paid-up in the same ratio as are allotted to the other equity shareholders of the Transferor Company.
- 14.3. No shareholder of the Transferor Company shall be allotted any fractional shares in the Transferee Company. All fractional entitlements of the shareholders of the Transferor Company shall be ignored.
- 14.4. All Equity shares held by the Transferee Company in Transferor Company or vice versa shall stand cancelled. Further, any sum of money owed by the Transferee Company in the Transferor Company or vice versa shall stand cancelled. If any share cancellation leads to reduction of capital of the Transferee Company, this scheme shall also be treated as a Scheme for reduction of capital to that extent.
- 14.5. The new equity shares to be issued and allotted in terms hereof will be subject to Memorandum and Articles of Association of the Transferee Company and shall rank pari-passu with the existing equity shares of the Transferee Company in all respects.
- 14.6. **Approval of Appropriate Authorities:** For the purpose of issue and allotment of Equity Shares as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of appropriate authorities concerned for the issue and allotment of the Equity Shares in the ratio aforesaid by the Transferee Company to the members of the Transferor Company. However, the issue and allotment of shares being an integral part of the Scheme, no further approval of shareholders of the Transferee Company would be necessary for the same.
- 14.7. **Transferee Company to increase its Authorized Capital:** The Transferee Company shall before allotment of the Equity Shares in terms of the Scheme, create its Authorized Share Capital, if necessary, by the creation of at least such number of Shares of Rs.10/- (Rupees Ten) each as may be necessary to satisfy its obligations under the provisions of the Scheme. Clause VI of the Memorandum of Association of the Transferee Company shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under the Companies Act, 2013 would be required to be separately passed.

PART IV

ACCOUNTING TREATMENT

15. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY:

1. **Recording of Assets and Liabilities:** All the assets and liabilities of the Transferor Company shall be transferred at their Book values at the close of the business on the Appointed Date. The Reserve and Surplus, if any, and debit balance in the Profit and Loss account shall be transferred to Transferee Company in the same manner in which it appears in the books of Transferor Company as on the Appointed Date. Similarly, the miscellaneous expenditure representing un-amortized preliminary expenses, if any, of the Transferor Company shall be transferred to the Transferee Company in the same manner in which they appear in the books of the concerned Transferor Company as on the Appointed Date;
2. **Treatment of difference in accounting policy:** In case of any differences in any accounting policy between the Transferor Company and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the General Reserve or Balance of Surplus/(Deficit) in Reserves & Surplus of Transferee Company to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.
3. **Procedure to deal with Balances as between Transferor Company and Transferee Company:** To the extent that there are intercompany loans, deposits, balances as between the Transferor Company and Transferee Company or vice versa, the obligation in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets and liabilities as the case may be. For the removal of doubt, it is clarified that in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loan, deposit or balances, with effect from the Appointed Date.
4. The amalgamation is in the nature of merger and shall be accounted in the books of Transferee Company as per the provisions of applicable IND-AS issued by the Institute of Chartered Accountants of India.

16. ISSUE OF [TWO] 2 % OPTIONALLY CONVERTIBLE DEBENTURES TO UNSECURED CREDITORS (LOANS/BORROWINGS).

16.1 Upon the Scheme becoming effective and without any further application, act, deed or thing, the Transferee Company (Chandi Steel Industries Limited) shall issue and allot to each

Unsecured Creditor of the Transferor Company (Mackeil Ispat & Forging Limited) whose dues are in the nature of Loans/Borrowings, [Two] 2 % Optionally Convertible Debentures ("OCDs") of face value Rs. [TEN]/- 10/- each. The aggregate principal amount of OCDs allotted to each such creditor shall equal their respective verified outstanding dues (principal and interest) as on effective date.

16.2 The aforesaid issuance shall be deemed compliant with Sections 42, 62, 71 and other provisions of the Companies Act, 2013, PAS Rules, and all applicable laws. No further approval, resolution, or procedure shall be required.

16.3 All Unsecured Creditors of the Transferor Company (Mackeil Ispat & Forging Limited) holding Loans/Borrowings, whose aggregate outstanding dues (principal and interest) as on 30th September 2025 amount to Rs. 713472652/- (representing 100% of such liabilities), have accorded their unconditional consent to the issuance and allotment of [TWO] 2 % Optionally Convertible Debentures ("OCDs") of face value Rs. [TEN] 10/- each by the Transferee Company (Chandi Steel Industries Ltd), equivalent to their respective verified dues. No creditor dissent exists, ensuring complete satisfaction of claims under this Scheme.

16.4 The OCDs shall carry interest at [TWO] 2% p.a., payable annually, with an option exercisable by the Debenture Holder to convert into equity shares of the Transferee Company at a price determined in accordance with applicable pricing guidelines. Terms including tenure, conversion ratio, redemption, and security (if any) as agreed by the Board of Directors of the Transferee Company and the Lenders are set out as an "Annexure -A" to the Scheme.

16.5 The issuance and allotment under this Clause 16 shall be deemed full and complete discharge of the Transferor Company's liabilities to such Unsecured Creditors. Upon allotment, the Transferee Company shall:

- (a) record the OCDs in its Register of Debenture Holders;
- (b) file necessary returns with ROC within 30 days under Rule 18(10) of Companies (Share Capital and Debentures) Rules, 2014; and

PART V

DISSOLUTION OF THE TRANSFEROR COMPANY AND

GENERAL TERMS AND CONDITIONS

17. DISSOLUTION OF THE TRANSFEROR COMPANY:

Upon the Scheme being sanctioned and an Order being made by the Tribunal under Section 232 of the Act, the Transferor Company shall stand dissolved without winding up on the Effective Date.

18. APPLICATION TO NCLT, KOLKATA BENCH FOR SANCTIONING THE SCHEME:

- 18.1. **Joint Application by the Transferor Company and the Transferee Company:** The Transferor Company and the Transferee Company shall, jointly with all reasonable dispatch, make applications/petitions under Section 230 and 232 and other applicable provisions of the said Act to the Tribunal, Kolkata Bench for sanctioning of this Scheme of Amalgamation and for appropriate orders under the applicable provisions of the Act for carrying this Scheme into effect.
- 18.2. It is hereby clarified that submission of the Scheme to the Tribunal and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that Transferor Company and the Transferee Company has or may have under or pursuant to all applicable laws.

19. MODIFICATIONS TO THE SCHEME:

- 19.1. **Scheme subject to Modifications:** The Scheme shall be subject to such modifications as the Tribunal while sanctioning the same may direct and which the Board of the Transferor Company and the Transferee Company may consent and agree to.
- 19.2. **Modifications and Amendments to Scheme:** The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) either by themselves or through a committee appointed by them in this behalf, may in their full and absolute discretion, make and/or assent to any alteration, or modification to this Scheme, including but not limited to those which the Tribunal and/or any other authority may deem fit, approve or propose.
- 19.3. **Withdrawal of Scheme:** In the event that any conditions proposed by the Tribunal are found unacceptable for any reason whatsoever by the Transferor Company or by the Transferee Company, the Transferor Company and/or the Transferee Company shall be entitled to withdraw the Scheme in which even no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.

20. CONDITIONALITY OF SCHEME:

The Scheme is conditional upon and subject to the following approvals/permissions and the amalgamation shall be deemed to be complete on the date on which the last of such approval/permissions shall have been obtained:

20.1. Approval of shareholders/Creditors (if any) of the Transferor Company and the Transferee Company: The approval and agreement of the Scheme by the requisite majorities of Equity Shareholders/Creditors (if any) of the Transferor and Transferee Company, as may be directed by the Tribunal, Kolkata Bench on the applications made for directions under Section 230 of the said Act for calling meeting and necessary resolutions being passed under the said Act.

20.2. Sanction of NCLT, Kolkata Bench: The sanction of the Honorable NCLT, Kolkata Bench under Sections 230 and 232 and other applicable provisions of the said Act in favour of the Transferor Company and the Transferee Company and the certified copy of the order of the Tribunal sanctioning this scheme being filed with Registrar of Companies.

21. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS:

In the event of any of the said sanctions and approvals referred to in the Clause 19 above not being obtained and/or the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid, the Scheme of Amalgamation shall become null and void and shall stand revoked, cancelled and be of no effect, 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 may otherwise arise in law.

22. EFFECT OF NON FULFILLMENT OF ANY OBLIGATION:

In the event of non-fulfillment of any or all the obligations under the Scheme, by either Transferor Company or the Transferee Company, the non-performance of which will put the other company under any obligation, then such defaulting company will indemnify all costs/interest, etc. to the other company, subject to a specific provision, if any, to the contrary under the Scheme.

23. COSTS AND EXPENSES:

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Undertakings in pursuance of this Scheme shall be borne and paid by the respective Companies.

Terms and Conditions

- a) The Debentures shall be **unsecured** and will rank pari passu with all other **unsecured borrowings** of the Proposed Transferee Company.
- b) The Debentures will carry interest at the rate of **2% (two percent) per annum**.
- c) The Debentures shall have a **tenure of 10 (ten) years** from the date of allotment, unless converted or redeemed earlier in accordance with these terms.
- d) The Debentures shall be **optionally convertible**, at the option of the Debenture Holder, subject to approval of the Board of Proposed Transferee Company, into Equity Shares of the Proposed Transferee Company having a face value of Rs. 10/- (Rupees Ten only) each, at any time **after the expiry of the 1 (one) year and up to the completion of 9 (nine) years** from the date of allotment of the Debenture. The conversion shall be at a price equal to the **fair value per Equity Share as determined by a Registered Valuer** based on the last audited Balance Sheet available as on the date of conversion, **or at the face value of the Equity Shares, whichever is higher**. The Equity Shares issued upon conversion shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Proposed Transferee Company.
- e) The Debentures, if not converted into Equity Shares, shall be **redeemable within 3 months from the expiry of 10 (ten) years** from the date of allotment at par or at premium as may be decided by the Board of Proposed Transferee Company.
- f) The debenture holder shall also have an **option to apply for redemption of debentures anytime after the expiry of 1 (one) year from the date of allotment of debentures**, subject to approval of the Board of Proposed Transferee Company. The redemption, if so applied, shall be **at par or at premium as may be decided by the Board of Proposed Transferee Company**, in compliance with applicable provisions of the Companies Act, 2013.
- g) The **terms of issue of the Debentures can be altered or varied** by the Board of Proposed Transferee Company at any time after the issue of Debentures subject to the consent of Debenture Holders, and compliance with applicable statutory provisions.