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COMPOSITE SCHEME OF ARRANGEMENT

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(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

AMONG

ARCELORMITTAL INDIA PRIVATE LIMITED  
TRANSFEROR COMPANY / AMALGAMATING COMPANY

AM ASSOCIATES INDIA PRIVATE LIMITED  
TRANSFeree COMPANY

AND

ARCELORMITTAL NIPPON STEEL INDIA LIMITED  
AMALGAMATED COMPANY

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

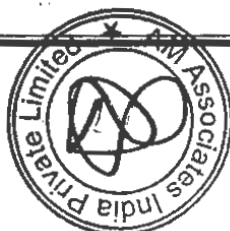


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(i)



**PART I**  
**INTRODUCTION, RATIONALE, DEFINITIONS AND INTERPRETATION**

**I INTRODUCTION, DEFINITIONS AND INTERPRETATION**

**1.1 Preamble**

This composite scheme of arrangement provides for the transfer and vesting the Transferred Undertaking from ArcelorMittal India Private Limited into AM Associates India Private Limited, reduction of equity share capital of ArcelorMittal India Private Limited and for simultaneous amalgamation of ArcelorMittal India Private Limited into ArcelorMittal Nippon Steel India Limited, pursuant to the provisions of Section 230 to Section 232 read with Section 66 and other applicable provisions of the Companies Act, 2013. This scheme also provides for various other matters consequential thereto or otherwise integrally connected therewith.

**1.2 Introduction**

**1.2.1 ArcelorMittal India Private Limited ("AMIPL")**

- (i) ArcelorMittal India Private Limited (hereinafter referred to as the "Transferor Company" or "Amalgamating Company") is a private limited company incorporated under the provisions of the Companies Act, 1956 and is registered with the Registrar of Companies, Ahmedabad with Corporate Identification Number U27100GJ2006PTC106923. It was originally incorporated on April 10, 2006 as Mittal Steel Jharkhand Private Limited as a private limited company with the Registrar of Companies Bihar and Jharkhand. Its name was changed to Mittal Steel Jharkhand Limited on June 13, 2006 pursuant to its conversion to a public limited company, and subsequently to Mittal Steel India Limited on August 23, 2006. Thereafter, the name was changed to ArcelorMittal India Limited on August 27, 2007 and then to ArcelorMittal India Private Limited on September 22, 2014 pursuant to its conversion to a private limited company. On March 5, 2019 the registered office of the company was shifted from the State of Jharkhand to its current registered office in the State of Gujarat, Ahmedabad. As on date, registered office of the Amalgamating Company is situated at Office No. 126, 101-104, GCP Business Centre, Opp. Memnagar Fire Station, Vijay Cross Road, Memnagar, Ahmedabad, Gujarat, India-380014.
- (ii) AMIPL is presently engaged in the business of setting up steel manufacturing plants in India including by way of acquiring mining leases/ prospecting licenses, acquiring steel plants and/or other supporting facilities for manufacture of steel, including power plants.
- (i) The main objects of AMIPL as per its memorandum of association are as follows:
- a) *To carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing or otherwise dealing:*
- (i) *in iron and steel as iron mongers, iron masters, steel makers and steel converters;*
- (ii) *in ferro-silicon, ferro-chromine and/or all products made of iron and steel, coking coal, manganese, ferro-manganese, limestone, refractories, iron ore and other alloys;*



- (iii) *as miners, smelters, and iron founders;*
- (iv) *in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, bauxite, cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying concrete manufacturing in all respective branches, and other allied input or other materials.*
- b) *To construct, execute, develop, manage, install, operate, and maintain for the, above purposes all plants, building, mines, establishments, works, factories, communication and transportation ways, power houses, transmission lines, and all other works whatsoever, and generally to carry on the business of builders, contractors, engineers, estimators, and designers and to undertake works on contract basis and to tender for such works.*
- c) *To act as consultants, advisors, principal or agent to individuals, firms and bodies corporate engaged in domestic and international trading, in all commodities, goods and materials, for sourcing products and arranging manufacturing programmes for importers, wholesalers and/or retailers worldwide and engaging in all activities to facilitate the foregoing, including without limitation, buying and selling raw materials and/or component parts and contributing finance to customers and suppliers and to perform consultancy services related to the above, including testing, quality assurance, financing, warehousing, storage and shipping, and as may be required to design, establish, provide and maintain industrial projects and for that purpose to prepare and get prepared reports, market studies, investigations, surveys, inspections, and any such other services.*
- d) *To carry on the business as Processors, Distributors, Dealers, Stockist, Agents, Indentors, Traders, Exporters, Importers, Wholesalers including cash and carry wholesale trade, Bulk imports with ex-port/ ex-bonded warehouse sales related to Steel and Metal products including establishing Service centre for cutting, slitting, bending and caging of products, sales and after sales support and to provide end to end solutions for the business stated herein.*
- e) *To carry on, manage, operate, supervise and control, whether directly or through any Special Purpose Vehicle and/or Joint Venture Company(ies), the business of manufacturing, generating, transmitting, supplying, distributing and dealing in electricity and all forms of energy and power generated by any source whether solar, wind, hydro, thermal and/or hydrocarbon fuel or any other form, kind or description and to setup and/or acquire in any manner power transmission systems/networks, power systems, generation stations, tie-lines, sub-stations and transmission or distribution systems from State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes.*
- f) *To carry on all such activities, including employment of persons, as may be necessary in order to promote and coordinate the activities of its promoters and subsidiaries, to help achieve their economic and financial*



*objectives/targets and secure optimal utilization of all resources placed at their disposal.*

#### 1.2.2 AM Associates India Private Limited (“AMAIPL”)

- (i) AM Associates India Private Limited (hereinafter referred to as the “**Transferee Company**”) is a private limited company registered with the Registrar of Companies, Ahmedabad under the provisions of the Companies Act, 2013 with Corporate Identification Number U27209GJ2020PTC112781. The Transferee Company was incorporated on February 18, 2020. The registered office of the Transferee Company is currently situated at B-30.1, Safal Pegasus Prahladnagar, Ahemdabad, Gujarat 380015, India.
- (ii) AMAIPL is presently engaged in the business of, inter alia, manufacturing, prospecting, operating and otherwise dealing in mining.
- (iii) The main objects of AMAIPL as per its memorandum of association are as follows:
- a) *To carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, investing, selling, importing, exporting, purchasing, acquiring, holding or otherwise dealing:*
    - A. *in iron and steel as iron mongers, iron masters, steel makers and steel converters;*
    - B. *in ferro-silicon, ferro-chromine and/or all products made of iron and steel, coking coal, manganese, ferro-manganese, limestone, refractories, iron ore and other alloys;*
    - C. *as miners, smelters, and iron founders;*
    - D. *in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, bauxite, cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying concrete manufacturing in all respective branches, and other allied input or other materials;*
    - E. *in any and all kinds of property, whether tangible, intangible, movable or immovable including land, factories, warehouses, securities of any person or entity, in connection with any of the aforesaid purposes.*
  - b) *To construct, execute, develop, hold, manage, install, operate, and maintain for the, above purposes all plants, land, building, mines, establishments, works, factories, communication and transportation ways, power houses, transmission lines, and all other works whatsoever, and generally to carry on the business of builders, contractors, engineers, estimators, and designers and to undertake works on contract basis and to tender for such works.*
  - c) *To act as consultants, advisors, principal or agent to individuals, firms and bodies corporate engaged in domestic and international trading, in all commodities, goods and materials, for sourcing products and arranging manufacturing programmes for importers, wholesalers and/or retailers*



worldwide and engaging in all activities to facilitate the foregoing, including without limitation, buying and selling raw materials and/or component parts and contributing finance to customers and suppliers and to perform consultancy services related to the above, including testing, quality assurance, financing, warehousing, storage and shipping, and as may be required to design, establish, provide and maintain industrial projects and for that purpose to prepare and get prepared reports, market studies, investigations, surveys, inspections, and any such other services.

- d) To carry on the business as Processors, Distributors, Dealers, Stockist, Agents, Indentors, Traders, Exporters, Importers, Wholesalers including cash and carry wholesale trade, Bulk imports with ex-port/ ex-bonded warehouse sales related to Steel and Metal products including establishing Service centre for cutting, slitting, bending and caging of products, sales and after sales support and to provide end to end solutions for the business stated herein.
- e) To carry on, manage, operate, supervise and control, whether directly or through any Special Purpose Vehicle and/or Joint Venture Company(ies), the business of manufacturing, generating, transmitting, supplying, distributing and dealing in electricity and all forms of energy and power generated by any source whether solar, wind, hydro, thermal and/or hydrocarbon fuel or any other form, kind or description and to setup, hold and/or acquire/ invest in any manner power transmission systems/networks, power systems of any kind, including solar parks, hydro power plants, generation stations, tie-lines, sub-stations and transmission or distribution systems from any person including State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes.
- f) To render all kinds of advisory and support services and assistance to companies and/ or other enterprises, whether Indian or foreign including on inorganic growth opportunities available to the companies and other enterprise by the acquisition of Indian and/ or foreign companies and/or industrial/ production/ manufacturing/ business/ service units and rendering support and assistance by way of provision/ collection of data, analysis, feasibility studies, techno-economic reports or in any other manner whatsoever and / or providing personnel support for handling in-house business, compliance, statutory and operational matters, negotiations, discussions, general liaising, presentations or any other interactions whatsoever with other companies, persons, organizations, governmental/ judicial / quasi-judicial agencies or any other party whatsoever in respect of any of the aforesaid matters.
- g) To carry on all such activities, including employment of persons, as may be necessary in order to promote and coordinate the activities of its promoters and subsidiaries, to help achieve their economic and financial objectives/targets and secure optimal utilization of all resources placed at their disposal.



### 1.2.3 ArcelorMittal Nippon Steel India Limited (“AMNSIL”)

- (i) ArcelorMittal Nippon Steel India Limited (previously known as Essar Steel India Limited and hereinafter referred to as the “**Amalgamated Company**”) was incorporated on June 1, 1976 as Essar Constructions Limited, a public limited company with the Registrar of Companies, Ahmedabad, under the provisions of the Companies Act, 1956, with Corporate Identification Number U27100GJ1976FLC013787. Its name was changed to Essar Gujarat Limited on August 19, 1987, and subsequently to Essar Steel Limited on December 4, 1995. Thereafter, the name was changed to Essar Steel India Limited on January 18, 2012. On August 2, 2017, corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, was initiated in relation to Essar Steel India Limited. Consequently, AMIPL was declared the successful resolution applicant and the resolution plan submitted by AMIPL was approved by the Hon’ble Supreme Court of India *vide* its judgement dated November 15, 2019 (*after considering the order passed by the National Company Law Tribunal, Ahmedabad Bench dated March 8, 2019 and the order passed by the National Company Appellate Tribunal dated July 4, 2019*) (“**Resolution Plan**”). The Resolution Plan provided for acquisition of domestic debt of Essar Steel India Limited by AMIPL and ECB debt of Essar Steel India Limited by an offshore entity nominated by AMIPL and equity infusion by AMIPL into Essar Steel India Limited which steps were successfully implemented on December 16, 2019. Accordingly, as per the Resolution Plan, Essar Steel India Limited was acquired by AMIPL pursuant to which acquisition Essar Steel India Limited became a wholly owned subsidiary of AMIPL. Subsequently, the name of the company was changed from ‘Essar Steel India Limited’ to ‘ArcelorMittal Nippon Steel India Limited’ on January 8, 2020. The Resolution Plan envisaged that AMIPL may merge into Essar Steel India Limited which merger is now contemplated in this Scheme. The registered office of the Amalgamated Company is currently situated at 27km, Surat Hazira Road, Hazira, Surat – 394270, Gujarat, India.
- (ii) AMNSIL is presently engaged in the business of manufacturing flat carbon steel including through ore beneficiation, pellet making, iron making and downstream facilities including cold rolling mill, galvanizing, pre-coated facility, extra wide plate mill and pipe mill.
- (i) The main objects of AMNSIL as per its memorandum of association are as follows:
- To carry on business of constructional engineers, mechanical engineers, iron Founders, Public Works and general Contractors, Constructors Builders, dealers, in bridges Steel Frames, Buildings, steel, iron, structures of all kinds, iron and steel converters, smiths, wood workers, painters, electrical engineers and electricians and dredgers.*
  - To undertake any type of construction work comprising of Civil, Mechanical, Electrical and Electronic Works, including Construction of Jetties, Breakwater, Casting of Concrete Blocks, Beams, Tetrapods, Roads, Heavy Construction Works, etc.*
  - To act as consulting engineers for construction of Harbour, Ports, Buildings, Bridges, Dams, Tunnels, etc., and to execute contracts for construction of such works.*
  - To maintain and undertake repairs of Ships, Barges, Boats, Lorries, Tractors, Trailers, Cranes, Plant and Machineries of any kind including Earthmoving machineries.*



- e) *To deal in or manufacture, import, export, trade or use iron and steel, hardware, Cement, Lime, Stones, Bricks, Sand, China Clay and any other construction materials, Oils, Diesels, Timbers, Motor, Paints, Granite, Varnishes and other materials required for the purposes of business of the Company.*
- f) *To carry out the work of Harbour and Port construction including dealing in blue metal, Quarrying of Stone and Stone-metals, Transport by means of Lorries, Tippers, Tractors, Trailers or any other suitable means, use Cranes or other earthmoving machineries, Compressors, Jack Hammers or other equipment. Transport over area by barges, floating Crafts, Lighters, Ships, Boats and Vessels, Launches, Motor Boats, etc., Passenger, Mail, Live Stock Goods, Foods and Merchandise and articles of all kinds.*
- g) *To own, purchase, hire, import, export, dredgers or any other equipment required for dredging operation and any other relevant operations and to undertake construction for dredging Harbours, Ports, Rivers, Canals, Dams, etc.*
- h) *To carry on business as manufacturers, merchants, dealers, agents, importers, exporters, buyers, sellers, stockists, distributors, processors, assemblers, traders, retailers and marketers in all kinds of goods including but not limited to consumers electronics, domestic appliances, entertainment products, machineries, equipment, media and content in all its forms, components and spares, accessories, communication services including pre-paid and post-paid connections, internet packages, all kinds of telecom related products including but not limited to mobile handsets, telephone instruments whether corded, cordless, mobile or of any other kind, tele-terminals, fax machines, telegraphs, recording instruments and devices, telephone message / answering machines and devices, dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc, telecom switching equipments of all kinds, telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and all kinds of services including but not limited to repairs, after sales services, food vending services and to assist, develop, procure, manage, operate and lease, servicing stations, retail outlets, depots and other modes of distribution, procurement and marketing of any of the above mentioned goods or services across India or overseas and to provide technical services in respect thereof or relating thereto.*
- i) *To carry on the business of running an online shopping portal over internet for all kinds of industrial material, construction material, home decor and interior materials and consultancy services, mason and carpentry services, to act as commission agents for companies on behalf of other manufacturers, dealers, carrying and forwarding agents, retailers, sellers whose products are listed on the e-commerce portal, to act as agents or sub-agents for any other business whether of a similar nature or not and to accept and enter into sub-contracts for the performance and carrying on any of the purpose for which the company is formed, to offer promotion services, campaign and advertising services on and through web portal, providing solutions and services related to Web-Technologies, Internet and E-commerce, including to design, develop, maintain, operate, own, establish, install, host, provide, create, facilitate, supply, sale, purchase, licence or otherwise deal in Internet portals, Internet networks, Media Portals, Internet solutions, Internet gateways, E-commerce, Web-site designing, Web based and Web enabled services and applications, E-commerce service provider, E-commerce solutions, E-commerce platforms, E-*





commerce education, E-commerce technologies and E-business solutions and to provide consultancy services addressed to business process engineering, information technology and the design and implementation of information technology solutions for Industry and to establish computer network, either as part of international network or as stand-alone network or otherwise, development of websites, Portal Sites and provide high speed digital / analog communication links to other networks and any other service which is feasible by using internet or any other such international networks and to create, manage and protect the intellectual property and/ or rights associated with providing above-mentioned services.

#### 1.2.4 Rationale of the Scheme

- (i) As mentioned in paragraph 1.2.3 (i) above, AMNSIL underwent corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, and was acquired by AMIPL, in accordance with the Resolution Plan (as defined above). It was intended that AMNSIL (formerly known as Essar Steel India Limited) would be the primary vehicle for operating the steel business in India, such that the Residual Business Undertaking of AMIPL, comprising of assets and related liabilities which are more suited for business of AMNSIL or are otherwise related to acquisition of AMNSIL by AMIPL, would be consolidated with AMNSIL to improve efficiencies and lead to further synergies. To this extent merger of the resolution applicant i.e. AMIPL into AMNSIL was envisaged under the Resolution Plan. The Resolution Plan envisaged that AMIPL may merge into AMNSIL and the creditors and other stakeholders of AMNSIL shall have no objection to such merger and accordingly this Scheme is being filed. AMNSIL is wholly owned subsidiary of AMIPL and by following the proposed Scheme, the companies can recognize the strengths of each other and align the business operations undertaken by them.
- (ii) The Transferred Undertaking of AMIPL comprising of all assets and liabilities of AMIPL other than the Residual Business Undertaking, are proposed to be transferred and vested into AMIPL.
- (iii) The Board of Directors of the Scheme Entities (defined herein below) believe that, the Scheme shall be in the interest of all concerned stakeholders, including shareholders, creditors and employees of the respective Scheme Entities. Accordingly, the Scheme Entities have proposed this Scheme for the following reasons:

##### Rationale for transfer and vesting of Transferred Undertaking

- (iv) This transfer and vesting of the Transferred Undertaking from the Transferor Company to the Transferee Company pursuant to this Scheme shall be in the interest of both the Transferor Company and the Transferee Company in the following ways:
  - a) **Focused Entity:** This will facilitate creation of a separate, focused entity to take advantage of the future emerging opportunities. The Transferee Company shall more effectively and efficiently cater to the independent growth plan for the Transferred Undertaking and its future value recognition, expansion and diversification.
  - b) **Future Fund Raise:** The Transferred Undertaking has distinct resource requirements and challenges to expand and grow. Developing the Transferred Undertaking would need access to capital through various structured and innovative routes. The housing of Transferred Undertaking in a separate



entity shall provide flexibility for future fund-raising capability through strategic / financial partnership(s).

- c) **Management Focus:** It shall provide greater management focus and speedy decision process with respect to matters relating to the Transferred Undertaking.
- d) **Transparency:** It shall provide greater transparency and visibility on the operations and financial performances of business of the Transferred Undertaking as well as accountability with autonomy for the Transferred Undertaking.
- (v) The Transferor Company proposes to undertake reduction of its share capital and consequently transfer shares in Transferee Company as a consideration to its shareholder. The same is proposed to be undertaken as the shares in the Transferee Company (which consists of the Transferred Undertaking transferred in Part III) is neither related to business of AMNSIL nor linked to acquisition of AMNSIL and thus do not form part of the Residual Business which is proposed to be merged into Amalgamated Company in Part V of this Scheme.

**Rationale for amalgamation of the Amalgamating Company into the Amalgamated Company**

- (vi) The amalgamation of the Amalgamating Company into the Amalgamated Company pursuant to this Scheme as also envisaged under the Resolution Plan shall be in the interest of both the Amalgamating Company and the Amalgamated Company in the following ways:
  - a) **Creation of synergies:** The concentration of the respective steel businesses of the Amalgamating Company comprising of the Residual Business Undertaking and the Amalgamated Company in one entity as contemplated in the Scheme, will enhance combined competitive strength and result in synergies, which shall best serve the existing market.
  - b) **Streamlining efficient structure:** The amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company will remove inefficiencies, unlocking intrinsic value of the assets, and combine similar business interests into a single corporate entity, resulting in operational synergies, simplification, and efficient administration. It will allow for similar assets to be clubbed into the same legal entity and be overseen by the same management and operational team.
  - c) **Consolidation of business operations:** The Amalgamated Company as the merged entity will have an enhanced value for the shareholders, arising out of consolidation of the business operations resulting in economies of scale, improving allocation of capital, and optimization of cash flows, thus contributing to the overall growth and long term value creation and maximizing the value and return to the shareholders of the Scheme Entities under the Scheme.
  - d) **Reduction in costs:** Consequent to the amalgamation, the Amalgamated Company shall be able to optimize the resources required for overall general and administrative purposes and avoid having to replicate such resources against several group companies operating within the same market space. The Amalgamated Company shall be able to use its existing resources as well as



the resources of the Amalgamating Company, which is expected to reduce the cost of maintaining and using separate resources.

- e) **Value Maximization:** The amalgamation would permit the ArcelorMittal group to move symbiotic assets that are presently held by different vehicles into one vehicle to better enhance prospects for utilization, operations and inter-dependency and reduce redundancy thereby increasing the overall value generated by the businesses in India.
- (vii) Thus, the Board of Directors of the respective Scheme Entities believe that the Scheme is in the interest of all the stakeholders, including the shareholders, creditors and employees of the respective Scheme Entities, and shall enable the Scheme Entities to adopt a focused business approach for maximization of benefits to their respective stakeholders. The Scheme shall not in any manner be prejudicial to the interests of concerned shareholders, creditors or/and general public at large.
- (viii) Accordingly, in order to achieve the above objectives, the Board of Directors of the respective Scheme Entities have resolved to make requisite applications and/or petitions before the Hon'ble NCLT and Governmental Authority (*to the extent applicable*) (as defined hereinafter) under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, the rules framed thereunder for the sanction of this Scheme.
- (ix) Part V of this Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income-Tax Act, 1961. If any terms or provisions of Part V of this Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-Tax Act, 1961, the provisions of Section 2(1B) of the Income-Tax Act, 1961 shall prevail and Part V of this Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-Tax Act, 1961, such that the modification to not affect other parts of the Scheme.

### 1.3 Overview of the Scheme of Amalgamation and Arrangement

#### 1.3.1 This Scheme provides for (in the following sequence):

- (i) transfer and vesting of the Transferred Undertaking from the Transferor Company into the Transferee Company and discharge of consideration in lieu thereof by way of issuance of AMAIPL Equity Shares (defined herein below) by Transferee Company to Transferor Company;
- (ii) cancellation of the AMIPL Extinguished Shares (defined herein below) and reduction of the AMIPL Extinguished Share Capital and in lieu thereof transfer by AMIPL of the AMAIPL Equity Shares to the shareholders of Transferor Company as consideration in respect of such reduction of share capital of Transferor Company; and
- (iii) amalgamation of Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company and in lieu thereof issue of equity shares by Amalgamated Company to the shareholder(s) of Amalgamating Company;

all in accordance with Sections 230 to 232 read with Section 66 and other applicable provisions of the Act and the terms and conditions contained in this Scheme.

#### 1.3.2 In order to avoid multiplicity of schemes and the consequent increase in effort that may have to be expended otherwise by the respective Scheme Entities, the Scheme Entities' shareholders



and creditors (as may be applicable), NCLT(s) and Governmental Authorities (to the extent applicable), the Scheme Entities are proposing this composite scheme of arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act, as may be applicable.

1.3.3 This Scheme as set out herein in its present form along with any modifications and/or amendments, as may be approved in accordance with the terms of this Scheme or as may be directed by the NCLT, shall be deemed to be effective from the Appointed Date, and be operative from the Effective Date.

1.3.4 The Scheme is divided into 6 (Six) parts viz:

- (i) **Part I** sets-forth the Introduction, Rationale, Definitions, and Interpretation;
- (ii) **Part II** sets-forth the Capital Structure of the Scheme Entities;
- (iii) **Part III** deals with the transfer and vesting of the Transferred Undertaking of the Transferor Company into and with the Transferee Company, in accordance with the provisions of Sections 230 to 232, and other applicable provisions of the Act;
- (iv) **Part IV** deals with cancellation of the AMIPL Extinguished Shares and reduction of the AMIPL Extinguished Share Capital such that AMAIPL Equity Shares will be transferred to the shareholders of the Transferor Company in respect of such reduction in accordance with the provisions of Sections 230 to 232 read with Section 66, and other applicable provisions of the Act.
- (v) **Part V** deals with the amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company, in accordance with the provisions of Sections 230 to 232, and other relevant provisions of the Act; and
- (vi) **Part VI** deals with general/residuary terms and conditions.

#### 1.4 Definitions

1.4.1 “Act” means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto;

1.4.2 “Accounting Standards” means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (IndAS), and all pronouncements including the applicable guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;

1.4.3 “AMA IPL Equity Shares” shall have the meaning as ascribed to the term in Clause 3.10.3 of Part III of this Scheme;

1.4.4 “Amalgamated Company” means ArcelorMittal Nippon Steel India Limited i.e. AMNSIL as defined in clause 1.2.3 of Part I;

1.4.5 “Amalgamating Company” / “Transferor Company” shall mean ArcelorMittal India Private Limited, i.e. AMIPL as defined in Clause 1.2.1 of Part I and includes:

- (i) any and all its assets, whether movable or immovable, whether present or future, whether tangible or intangible, leasehold or freehold, all rights, title, interests,



covenants, undertakings, liabilities including continuing rights, title and interests in connection with the land and the buildings thereon, if any, whether freehold or otherwise, plant and machinery, whether leased or otherwise, hire purchase equipment(s), together with all present and future liabilities including contingent liabilities and debts appertaining thereto:

- (i) any and all loans and advances (including inter-corporate loans, including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent;
- (ii) without prejudice to generality of the foregoing, Amalgamating Company shall include all investments in the capital of other companies and body corporate whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates including dividends declared and other accrued benefits thereto;
- (iv) any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, municipal permissions, balances with Government Authorities, intellectual property rights including trade names, trademarks, service marks, copyrights, domain names, Tax Credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Amalgamating Company/ Transferor Company;
- (v) any and all secured and unsecured debts, borrowings and liabilities (including contingent liabilities and external commercial borrowings), present or future, undertakings and obligations of the Amalgamating Company/ Transferor Company;
- (vi) any and all employees, who are on the pay roll of the Amalgamating Company/ Transferor Company, including those engaged at its offices at their current terms and conditions, including all employee benefits such as provident fund, employees' state insurance, gratuity fund, superannuation fund;
- (vii) any and all advance monies, earnest monies and/or security deposits, trade payables, payment against warrants or other entitlements, in connection with or relating to the Amalgamating Company/ Transferor Company; and
- (viii) all records, files, papers, information, computer programs, relating to Amalgamating Company;

It is hereby clarified that, for the purposes of this definition:

“**Amalgamating Company**” shall mean ArcelorMittal India Private Limited, i.e. AMIPL immediately after transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Scheme and constituting solely of the Residual Business Undertaking; and

“**Transferor Company**” means ArcelorMittal India Private Limited i.e. AMIPL as defined in Clause 1.2.1 immediately prior to the transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Scheme.

- 1.4.6 “**AMIPL Extinguished Shares**” shall have the meaning as ascribed to the term in Clause 4.1 of Part IV of this Scheme;



- 1.4.7 “**AMIPL Extinguished Share Capital**” shall have the meaning as ascribed to the term in Clause 4.1 of Part IV of this Scheme;
- 1.4.8 “**Applicable Law(s)**” means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Government resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, or other similar directives made pursuant to such laws, whether in effect on the date of this Scheme or at any time after such date by any concerned authority having jurisdiction over the matter in question;
- 1.4.9 “**Appointed Date**” means December 16, 2019 or such other date as may be approved by the NCLT;
- 1.4.10 “**Board of Directors**” or “**Board**”, in relation to any company, means the board of directors of such company and, unless contrary to the provisions of Applicable Laws, includes any committee of directors or any person authorized by the board of directors or by such committee of directors;
- 1.4.11 “**Clause**” and “**sub-clause**” means the relevant clauses and sub-clauses of this Scheme;
- 1.4.12 “**Effective Date**” shall have the meaning as ascribed to the term in Clause 6.4 of Part VI of this Scheme, or such other date as may be approved by the NCLT, as may be applicable;
- 1.4.13 “**Equity Shares**”, in regard to a company, means the fully paid-up equity shares of such a company;
- 1.4.14 “**Government**” or “**Governmental Authority**” means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 1.4.15 “**NCLT**” means the Hon’ble National Company Law Tribunal, Ahmedabad, Gujarat, having jurisdiction in relation to the Amalgamating Company, the Amalgamated Company and the Transferee Company;
- 1.4.16 “**Record Date**” means the date to be fixed by the Board of Directors of the Amalgamating Company for the purposes of determining the shareholders of the Amalgamating Company to whom Equity Shares will be issued and allotted by Amalgamated Company in terms of Part V of this Scheme;
- 1.4.17 “**Registrar of Companies**” means the Registrar of Companies, Ahmedabad;
- 1.4.18 “**Residual Business Undertaking**” means assets, rights, business, and liabilities of the Amalgamating Company / Transferor Company as a part of its continuing business and operations listed out at **Schedule A (“Residual Business”)** and includes:
- (i) any and all assets, whether movable or immovable, whether present or future, whether tangible or intangible, leasehold or freehold, all rights, title, interests, covenants, undertakings, liabilities including continuing rights, title and interests in connection with the land and the buildings thereon, if any, whether freehold or otherwise, plant and machinery, whether leased or otherwise, hire purchase equipment(s), together with all present and future liabilities including contingent liabilities and debts appertaining thereto, pertaining to the Residual Business;



- (ii) any and all loans and advances (including inter-corporate loans, including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent, pertaining to the Residual Business;
- (iii) without prejudice to generality of the foregoing, the Residual Business Undertaking shall include all investments in the capital of other companies and body corporate whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates including dividends declared and other accrued benefits thereto, pertaining to the Residual Business;
- (iv) any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, municipal permissions, balances with Government authorities, intellectual property rights including trade names, trademarks, service marks, copyrights, domain names, Tax Credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the or in relation to the Residual Business;
- (v) any and all secured and unsecured debts, borrowings and liabilities (including contingent liabilities and external commercial borrowings), present or future, undertakings and obligations of the Transferor Company pertaining to the Residual Business;
- (vi) any and all employees, who are on the pay roll of the Transferor Company in relation to Residual Business, including those engaged at its offices at their current terms and conditions, including all employee benefits such as provident fund, employees' state insurance, gratuity fund, superannuation fund for such employees of the Transferor Company in relation to Residual Business;
- (vii) any and all advance monies, earnest monies and/or security deposits, trade payables, payment against warrants or other entitlements, in connection with or relating to the Residual Business; and
- (viii) all records, files, papers, information, computer programs, relating to the Residual Business.

It is hereby clarified that, during the pendency of the Scheme in the event the ownership of the Thakurani Mine (as defined in Schedule A) vests in Amalgamated Company from the Amalgamating Company/Transferor Company, then paragraph (vi) shall be deemed excluded from Schedule A.

1.4.19 “Rs.” means Indian Rupees, the lawful currency of the Republic of India;

1.4.20 “Scheme” or “the Scheme” or “this Scheme” means this composite scheme of amalgamation and arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, as may be required under the Act, as applicable, and under all other Applicable Laws;

1.4.21 “Scheme Entities” means AMIPL, AMNSIL and AMAIPL;



- 1.4.22 “**Tax(es)**” means all forms of taxes, duties, fees, premiums, assessments, levies, imposts, social security charges and other charges of any kind whatsoever (whether or not contingent, recorded, assessed, disputed, whether or not in relation to or on account of assessment, reassessment, notice, proceedings, compounding, non-compliance, non-filing, non-preparation of documents, reports including but not limited to pursuant to any surveys or summons) imposed by any Government Authority, including, without limitation, goods and services tax, corporate income tax, minimum alternate tax, wage withholding tax, other withholding tax (i.e. interest, rent, etc.), provident fund, employee state insurance and gratuity contributions, value added tax, service tax, professional tax, customs and excise duties, capital tax and other transaction taxes, stamp duty, dividend withholding tax, real estate taxes, municipal taxes and duties and environmental taxes and duties, together with all interest, penalties, fines, additions to tax, surcharges or other additional amounts imposed in respect or relating thereto that may be payable or due or levied, imposed upon or claimed to be owed in any relevant jurisdiction;
- 1.4.23 “**Tax Credits**” means all credits or advances or balances including Tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. pertaining to Taxes including without limitation to sales tax credit, income tax credit, advance tax, minimum alternate tax credit, goods and services tax credit (including transitional credit), sales tax/VAT credit, advance tax;
- 1.4.24 “**Transferee Company**” means AM Associates India Private Limited i.e. AMAIPL as defined in clause 1.2.2 of Part I; and
- 1.4.25 “**Transferred Undertaking**” means all the assets, rights, business, and liabilities of the Transferor Company other than the Residual Business Undertaking.

## 1.5 Interpretation

- 1.5.1 The terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words used in this Scheme refers to this entire Scheme;
- 1.5.2 The words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same;
- 1.5.3 The words “other”, “or otherwise” and “whatsoever” shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- 1.5.4 Any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
- 1.5.5 The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- 1.5.6 Any 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 legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;
- 1.5.7 Words in the singular shall include the plural and *vice versa*; and
- 1.5.8 References to one gender includes all genders.





**PART II**  
**SHARE CAPITAL STRUCTURE OF SCHEME ENTITIES**

**2 CAPITAL STRUCTURE**

2.1 The share capital of the Transferor Company / Amalgamating Company as on July 31, 2020 was as under:

Share Capital	Amount in Rupees
<b>Authorized Capital</b>	
5000,00,00,000 Equity Shares of Rs 10/- each	50000,00,00,000
<b>Total</b>	<b>50000,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
2817,03,37,129 Equity Shares of Rs 10/- each	28170,33,71,290
<b>Total</b>	<b>28170,33,71,290</b>

2.2 The share capital of the Transferee Company as on July 31, 2020 was as under:

Share Capital	Amount in Rupees
<b>Authorized Capital</b>	
1,50,000 Equity Shares of Rs 10/- each	15,00,000
<b>Total</b>	<b>15,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
50,000 Equity Shares of Rs 10/- each	5,00,000
<b>Total</b>	<b>5,00,000</b>

2.3 The share capital of Amalgamated Company as on July 31, 2020 was as under:

Share Capital	Amount in Rupees
<b>Authorized Capital</b>	
2990,00,00,000 Equity Shares of Rs. 10/- each	29900,00,00,000
10,00,00,000 10% Cumulative Redeemable Preference Shares of Rs. 10/- each	100,00,00,000
<b>Total</b>	<b>30000,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	



922,20,00,000 Equity Shares of Rs 10/- each	9222,00,00,000
<b>Total</b>	<b>9222,00,00,000</b>

- 2.4 As on date the Amalgamated Company is a wholly owned subsidiary of the Transferor Company / Amalgamating Company. The Transferee Company is a group company of the Transferor Company/Amalgamated Company.
- 2.5 The shares or any other securities of Scheme Entities are not listed on any stock exchange, whether in India or in any other country. Further, after the above-mentioned date(s) and till the date of this Scheme being approved by the respective Board of Directors of the Scheme Entities, there has been no change in the authorized capital or the issued, subscribed and paid-up capital of the respective Scheme Entities.
- 2.6 The Scheme Entities agree that till the Scheme becomes effective, the Scheme Entities shall be free to alter their authorized, issued, subscribed and paid-up share capital as may be required by the respective business requirements. If any consolidation, stock-split, sub-division, reorganization, reclassification or other similar action in relation to the share capital of any of the Scheme Entities occurs following the date of approval of the Scheme by the respective Board of Directors of the Scheme Entities and on or before the Scheme coming into effect, the share exchange ratio as mentioned in Clause 5.11.2 of Part V of this Scheme shall be subject to an equitable adjustment by the respective Board of Directors of the Scheme Entities to account for the aforementioned corporate actions.



**PART-III**  
**TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING OF THE**  
**TRANSFEROR COMPANY**

**3 THE TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING**

- 3.1 Upon Part III of this Scheme becoming effective, and with effect from the Appointed Date, the Transferred Undertaking, including all present and future assets and liabilities whether known or unknown in relation to the Transferred Undertaking, shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and pursuant to the order of the NCLT or any other appropriate authority sanctioning the Scheme, if required, and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company.
- 3.2 Without limiting the generality of the foregoing, upon this Scheme becoming effective, and with effect from the Appointed Date:
- 3.2.1 All the assets comprised in the Transferred Undertaking that are movable or are otherwise capable of transfer by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;
- 3.2.2 All the assets comprised in the Transferred Undertaking that are movable properties other than those described under sub-clause 3.2.1 above, including investments 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 Transferee 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;
- 3.2.3 All the assets comprised in the Transferred Undertaking that are immovable properties, if any, including land, whether leasehold, freehold, leasehold cum sale basis, licensed or otherwise held by the Transferor Company, and rights or interest in the buildings and structures standing thereon and all lease / license or rent agreements entered into by Transferor Company, together with security deposits and advance / prepaid lease / license fee and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such 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 Transferee Company by the appropriate authorities, pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof. It is hereby clarified that all the rights, title and interest (including stamp duty paid) of the Transferor Company in the leasehold properties of the Transferred Undertaking, if any, shall, pursuant to Sections 230 to 232 of the 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 Transferee Company;
- 3.2.4 All the rights, title, interests, benefits, entitlement and advantages, contingent rights, applications made to obtain rights or benefits belonging to or in the ownership, power,



possession or the control of or vested in or granted in favour of or held for the benefit of, or enjoyed by, or to which, the Transferor Company may be entitled to subsequently and all other interests in connection with or relating to such Transferred Undertaking, continuing rights, title and interests in connection to such Transferred Undertaking and any of its equipment shall be vested in the Transferee Company with effect from the Appointed Date. The Transferee Company shall be deemed to be the applicant for mining lease(s) in place of the Transferor Company, comprised in the Transferred Undertaking (including any letters of intent issued with respect to the mining leases), for all purposes under the Mines and Minerals (Development and Regulation) Act, 1957 and rules made thereunder, as amended from time to time and any other applicable law and with effect from Appointed Date; all rights and liabilities in relation to such mining leases shall vest with Transferee Company and the Transferor Company or the Amalgamated Company shall not have any rights to or bear any liabilities in connection to the same;

3.2.5 All the liabilities comprised in the Transferred Undertaking shall without any further act, instrument or deed, become the liability of the Transferee Company and shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, as the case may be, and the Transferee Company shall be liable to meet, discharge and satisfy the same in accordance with its terms. 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 sub-clause:

3.2.6 All employees of the Transferor Company in relation to the Transferred Undertaking, who are on its pay roll shall be engaged by the Transferee Company or its parent company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this transfer and vesting of the Transferred Undertaking. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, in accordance with the provisions of Applicable Laws and in terms of this Scheme. It is hereby 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 Transferor Company for such purpose, shall be treated as having been continuous;

3.2.7 The existing security or charge in favor of the secured creditors shall remain unaffected and shall continue to remain valid and in full force and effect even after the transfer and vesting of the Transferred Undertaking from the Transferor Company to the Transferee Company. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of the Transferor Company and Transferee Company;

It is hereby clarified that –

- (i) Existing security, if any, in respect of abovementioned liabilities shall extend to and operate only over the assets comprised in the Transferred Undertaking which has been charged and secured in respect of the abovementioned liabilities. If any of the assets comprised in the Transferred Undertaking have not been charged or secured in respect of the abovementioned liabilities, such assets shall remain unencumbered;
- (ii) If any existing security in respect of any part of the abovementioned liabilities extends wholly or in part over the assets of the Transferor Company other than the Transferred



Undertaking, then the Transferee Company shall create adequate security in respect of such part of the abovementioned liabilities over the assets of the Transferred Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Transferor Company other than the Transferred Undertaking shall be released and discharged from such encumbrance;

- (iii) If any security or charge exists on the assets comprising of the Transferred Undertaking in respect of the loans and liabilities which have not been transferred to the Transferee Company pursuant to this Scheme, the Transferor Company shall create adequate security over the assets of the Transferor Company other than the Transferred Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Transferred Undertaking shall be released and discharged from such encumbrance;

- 3.2.8 All cheques and other negotiable instruments, payment orders, if any, received in the name of the Transferor Company pertaining to the Transferred Undertaking after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company;
- 3.2.9 All the contracts, including memorandums of undertaking, guarantees, counter guarantees, consents, approvals, comfort letter, letter of intent, representations received from contractual counterparties and/or regulatory authorities in relation to the Transferred Undertaking shall be in full force and effect against or in favour of 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 thereto. Without prejudice to the generality of the foregoing, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements pertaining to the Transferred Undertaking 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, in terms of this Scheme or by operation of law pursuant to the vesting orders of the court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. In relation to the same, any procedural requirements which are to be fulfilled by the Transferor Company shall be fulfilled by the Transferee Company, as if it is the duly constituted attorney of the Transferor Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Transferor Company relating to or benefiting at present the remaining business of the Transferor Company (i.e. the entire business other than the Transferred Undertaking) and that of the Transferred Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Transferor Company and the Transferee Company;
- 3.2.10 Upon the Scheme becoming effective, all permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses, whether statutory, regulatory or otherwise, relating to the Transferred Undertaking, shall stand transferred to and vested in the Transferee Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the permissions, licenses, approvals etc., if any application is required to be filed with any authority to implement the transfer and vesting of the relevant permission, licenses etc., the Transferee Company shall make such filing, which shall be granted/ approved in favour of the Transferee Company based on the sanction order of the Scheme by the NCLT;



- 3.2.11 Upon coming into effect of this Scheme, the past track record of Transferor Company relating to the Transferred Undertaking, including the profitability, production volumes, experience, credentials, net worth, technical expertise, and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients. All the licenses of the Transferred Undertaking shall stand transferred to and vested in the Transferee Company. Such of the other permits, licenses, consents, approvals, authorizations, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Transferor Company, but relate to or benefitting at present the business of the Transferor Company other than the Transferred Undertaking and that of the Transferred Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Transferor Company and the Transferee Company by the relevant authorities pursuant to the sanction of this Scheme by the NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this sub-clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to sanction of this Scheme by the NCLT. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;
- 3.2.12 The Transferee Company shall be entitled to the benefits and shall bear the burdens of any legal, judicial, quasi-judicial, regulatory or other proceedings (including Tax proceedings) to the extent relating to the Transferred Undertaking, initiated by or against the Transferor Company. If any suit, appeal or other proceedings to the extent relating to the Transferred Undertaking initiated by or against the Transferor Company is pending, the same shall not be abated, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may 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 and enforced by or against the Transferor Company, if this Scheme had not been effected. All reasonable costs incurred by the Transferor Company in respect of any proceedings initiated by or against the Transferor Company after the Appointed Date to the extent relating to the Transferred Undertaking shall be reimbursed by the Transferee Company upon submission by the Transferor Company to the Transferee Company of documents evidencing that the Transferor Company has incurred such costs. The Transferee Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to the Transferred Undertaking;
- 3.2.13 All rights, obligations, benefits available under any Taxes and any Tax Credits which may be obtained by the Transferor Company or which the Transferor Company is entitled to or which are or may be available to Transferor Company in respect of the Transferred Undertaking shall, pursuant to the sanction of this Scheme, be available to the Transferee Company. Any filings/intimations to be made this regard to be made by the Transferee Company;
- 3.2.14 The benefits of any and all corporate approvals as may have already been taken by the Transferor Company in relation to the Transferred Undertaking, whether being in the nature of compliances or otherwise, shall stand transferred to the Transferee Company and shall be deemed to have been taken by the Transferee Company, by virtue of approval of this Scheme; and



- 3.2.15 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company for or in relation to the Transferred Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme becoming effective, pursuant to the provisions of Sections 230-232 and other applicable provisions of the Act, 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 Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
- 3.2.16 Notwithstanding anything to the contrary contained in this Scheme, it is clarified that no assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records of the Transferor Company, except those pertaining to the Transferred Undertaking which are transferred to the Transferee Company in terms of this Clause 3.2, shall be transferred to, or vested in, the Transferee Company in terms of the provisions of this Scheme. The Board of Directors of, Transferor Company and the Transferee Company shall take such actions including execution of documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 3.2 of this Scheme.
- 3.2.17 The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, in relation to the Transferred Undertaking, 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 the Transferred Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorized to execute any such writings in the name of and on behalf of the Transferor Company, in relation to the Transferred Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company *inter alia* in its capacity as the successor-in-interest of the Transferor Company in relation to the Transferred Undertaking.
- 3.3 The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof, 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 the Transferor Company in relation to the Transferred Undertaking. 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 Transferee Company upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for, necessary approval, information and/or record purposes, as the case may be. 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 acts, formalities or compliances referred to above as may be required in this regard.

#### 3.4 Saving of Concluded Transactions

The transfer and vesting of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Part III in connection with the Transferred Undertaking shall not affect any transaction or proceedings already concluded by the Transferor Company till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself in so far as it relates to the Transferred Undertaking.



**3.5 Conduct of business till Effective Date**

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

- 3.5.1 the Transferor Company shall carry on the business of the Transferred Undertaking, in its ordinary course with reasonable diligence and business prudence and in a manner consistent with its past practices;
- 3.5.2 the Transferor Company undertakes to carry on and shall be deemed to have carried on the business activities of the Transferred Undertaking and stand possessed of the properties and assets of the Transferred Undertaking, for and on account of and in trust for the Transferee Company;
- 3.5.3 all profits or income accruing to or received by the Transferor Company, out of the Transferred Undertaking and all Taxes paid thereon or losses arising in or incurred by the Transferor Company with respect to the Transferred Undertaking shall, for all purposes, be treated as and deemed to be the profits, losses, income or Taxes, as the case may be, of the Transferee Company;

**3.6 Conduct of business on Effective Date**

- 3.6.1 With effect from the Effective Date, the Transferee Company shall be authorized to hold and continue with the Transferred Undertaking of the Transferor Company.
- 3.6.2 For the purpose of giving effect to the vesting and transfer order passed under Sections 230 to 232 of Act, the Transferee Company shall be entitled to get the recordal of the change in the legal title and rights appurtenant thereto upon the transfer and vesting of all the assets including investments comprised in the Transferred Undertaking pursuant to the Scheme.

**3.7 The remaining business of Transferor Company**

- 3.7.1 The remaining business of Transferor Company (i.e. the Residual Business Undertaking and as set out in Part V) and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company until the Effective Date.
- 3.7.2 All legal, Tax or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company which relate to the Residual Business Undertaking (i.e. the business of the Transferor Company other than the Transferred Undertaking) under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Transferor Company's business other than the Transferred Undertaking, shall be continued and enforced by or against the Transferor Company. The Transferee Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceeding against the Transferor Company, which relate to the Transferor Company's business other than the Transferred Undertaking.
- 3.7.3 All profits or losses pertaining to the Transferred Undertaking, up to the Appointed Date, which are recorded in the books of the Transferor Company shall, for all purposes, continue to be treated as the profit or losses of the Transferor Company and shall be retained in the books of the Transferor Company.

**3.8 Procedural formalities post sanction of the Scheme**

Upon the coming into effect of this Scheme in accordance with the provisions hereof, and in relation to the Transferred Undertaking:





- 3.8.1 The Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferee Company has been a party, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings as if it were the Transferor Company, and to carry out or perform all such formalities or compliances referred to above as if it were the Transferor Company.
- 3.8.2 For statistical purposes only and without any separate deed, instrument or writing, the Transferee Company and/ or the Transferor Company shall, if required, simultaneously with the amendment in the register of charges and file particulars of the modified charge with the Registrar of Companies. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Transferee Company and/ or the Transferor Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Transferor Company.
- 3.8.3 All permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses, whether statutory, regulatory or otherwise, relating to the Transferred Undertaking, shall stand transferred to and vested in the Transferee Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the aforesaid, if any application is required for the statistical record of the statutory authorities to implement such transfer and vesting, as provided hereinabove, the Transferee Company shall facilitate the statutory authorities by filing such applications, which shall be granted/ approved in favour of the Transferee Company based on the sanction order of the Scheme by the NCLT.
- 3.9 Increase in the authorized share capital of Transferee Company**
- 3.9.1 Upon Part III of the Scheme coming into effect on the Effective Date, the authorized share capital of Transferee Company of Rs. 15,00,000 (Rupees Fifteen Lakh only) divided into 1,50,000 (One Lakh Fifty Thousand) Equity Shares having face value of Rs. 10 (Rupees Ten) each, in terms of Clause V of its Memorandum of Association shall stand increased to Rs. 1500,00,00,000 (Rupees One Thousand Five Hundred Crores only) divided into 150,00,00,000 (One Hundred and Fifty Crores) Equity Shares having face value of Rs. 10 (Rupees Ten) each, without any further act or deed by the Transferee Company for purpose of such increase of the authorized share capital of the Transferee Company.
- 3.9.2 Subsequent to the increase of the authorized share capital of the Transferee Company as contemplated in Clause 3.9.1 of Part III above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Transferee Company shall stand modified and shall read as follows:
- "The authorized share capital of the company is Rs. 1500,00,00,000 (Rupees One Thousand Five Hundred Crores) consisting 150,00,00,000 (One Hundred and Fifty Crores) equity shares having a face value of Rs. 10/- (Rupees Ten) each."*
- 3.9.3 Pursuant to the effectiveness of Part III of this Scheme, the Transferee Company shall make the requisite filings with the RoC for the increase in its authorized share capital in the manner set out in this Clause 3.9.1.
- 3.9.4 It is hereby clarified that for the purposes of increasing the authorized share capital of the Transferee Company in accordance with Clause 3.9.1 of Part III above, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Transferee Company



and consequential amendments in Clause V of its Memorandum of Association and all actions taken in accordance with this Clause 3.9 of Part III of this Scheme shall be deemed to be in full compliance of Sections 13, 61 and 64 of the Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 61 and 64 of the Act and/or any other applicable provisions of the Act, would be required to be complied with.

### 3.10 Consideration

- 3.10.1 Upon this Scheme becoming effective and with effect from the Appointed Date and consequent transfer and vesting of the Transferred Undertaking by the Transferor Company to the Transferee Company in terms of this Scheme, the Transferee Company shall discharge consideration by issuing and allotting Equity Shares of Transferee Company to the Transferor Company as detailed in this Clause 3.10.
- 3.10.2 The Transferor Company and Transferee Company have engaged Mr. Vikarth Kumar, registered valuer, to provide a valuation report. In connection with such engagement, Mr. Vikarth Kumar, has issued a valuation report dated September 16, 2020. The Board of Directors of Transferor Company and the Transferee Company have determined the number of Equity Shares of Transferee Company to be issued and allotted to the Transferor Company as consideration for transfer and vesting of the Transferred Undertaking, based on their independent judgment and after taking into consideration the aforesaid valuation report at their respective meetings held on September 18, 2020.
- 3.10.3 Accordingly, the Transferee Company shall issue and allot 118,45,38,161 (One Hundred Eighteen Crores, Forty-Five Lakhs, Thirty-Eight Thousand, One Hundred Sixty One) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, to the Transferor Company (hereinafter referred to as "AMA IPL Equity Shares").
- 3.10.4 The AMA IPL Equity Shares to be issued and allotted by Transferee Company in terms of Clause 3.10.3 shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company and shall rank *pari passu* in all respects with the existing Equity Shares of Transferee Company.
- 3.10.5 Upon the Scheme becoming effective it shall be deemed that the members of the Transferee Company have also accorded their consent under Sections 42 and 62 of the Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of AMA IPL Equity Shares, to the Transferor Company, and all actions taken in accordance with this Clause 3.10 of Part III of this Scheme shall be deemed to be in full compliance of Sections 42 and 62 of the Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42 and 62 and/or any other applicable provisions of the Act shall be required to be passed or undertaken.

### 3.11 Accounting Treatment

#### Accounting in the books of Transferee Company

- 3.11.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of Transferred Undertaking from Transferor Company to Transferee Company shall be accounted in the financial statements of Transferee Company as per Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in following manner:
- (i) The Transferee Company shall identify and recognise the individual identifiable assets and liabilities at their respective fair values.



- (ii) The equity share capital issued as a consideration shall be recognised at its face value and the difference, if any, between the fair value of the net assets acquired and the face value of equity share capital issued shall be recognised in the securities premium account of the Transferee Company.

#### Accounting in the books of Transferor Company

3.11.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of Transferred Undertaking from Transferor Company to Transferee Company shall be accounted as per Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in following manner:

- (i) The Transferor Company shall derecognize the assets and liabilities transferred at the carrying value of the assets and liabilities respectively.
- (ii) The Transferor Company shall recognise the investment in equity shares of Transferee Company at the fair value.
- (iii) The difference, if any, between carrying value of the assets and liabilities (which will be transferred) and fair value of investment of Transferee Company shall be debited/credited to profit and loss.

#### 3.12 Tax

- 3.12.1 Any Tax liabilities (including contingent liabilities) allocable or related to the business of Transferor Company pertaining to Transferred Undertaking as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 3.12.2 Any Tax Credits and refunds pertaining to Taxes including consequent to assessment made in respect of Transferred Business Undertaking, for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, will also be transferred to Transferee Company.
- 3.12.3 The Tax payments whether by way of tax deducted at source by the customers, advance tax or otherwise, to the extent the same relates to the Transferred Undertaking, by Transferor Company after the Appointed Date, shall be deemed to be paid by Transferee Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source, pertaining to the Transferred Undertaking, by either the Transferor Company or the Transferee Company on account of inter-company transactions between them post the Appointed Date, shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 3.12.4 All Tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to Transferred Undertaking shall be continued and/or enforced until the Effective Date as desired by Transferee Company. As and from the Effective Date, the Tax proceedings/ appeals shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the transfer and vesting of the Transferred Undertaking into and with the Transferee Company.
- 3.12.5 Transferor Company and Transferee Company shall be entitled to, amongst others, file/or revise its Tax filings and returns or statutory returns, if required, even if the prescribed time limit for



filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum.

3.13 **Amendment to the Memorandum of Association**

In order to carry on the relevant business activities in relation to Transferred Undertaking that are currently being carried on by the Transferor Company, upon coming into effect of the Scheme, the main objects in the memorandum of association of the Transferor Company shall be added to the main objects of the memorandum of association of the Transferee Company, to the extent such objects are not already covered by those of the Transferee Company. The consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under Section 13 or any other applicable provision of the Act would be required to be separately passed.



**PART-IV**  
**REDUCTION OF THE EQUITY SHARE CAPITAL OF TRANSFEROR COMPANY**

**4 REDUCTION OF THE EQUITY SHARE CAPITAL OF THE TRANSFEROR COMPANY**

- 4.1 On Part IV of the Scheme becoming effective and with effect from the Appointed Date, the subscribed, issued and paid up equity share capital of the Transferor Company will stand reduced from Rs. 28170,33,71,290 (Rupees Twenty Eight Thousand One Hundred Seventy Crores and Thirty Three Lakhs Seventy One Thousand Two Hundred and Ninety only) divided into 2817,03,37,129 (Two Thousand Eight Hundred and Seventeen Crore Three Lakh and Thirty Seven Thousand One Hundred and Twenty Nine) Equity Shares of Rs. 10 (Rupees Ten only) each to Rs. 26897,97,21,050 (Rupees Twenty-Six Thousand Eight Hundred Ninety-Seven Crores, Ninety-Seven Lakhs, Twenty-One Thousand, Fifty only) divided into 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Rs. 10 (Rupees Ten only) each, by cancelling and extinguishing 127,23,65,024 (One Hundred Twenty-Seven Crores, Twenty-Three Lakhs, Sixty-Five Thousand, Twenty-Four) paid-up Equity Shares of Rs. 10 (Rupees Ten only) each (hereinafter referred to as 'AM IPL Extinguished Shares' and 'AM IPL Extinguished Share Capital' shall be understood in the same context), without any further act, instrument or deed.
- 4.2 The liability on cancellation of the AMIPL Extinguished Shares and the consequent reduction of the AMIPL Extinguished Share Capital shall be discharged by transfer and delivery of the AMIPL Equity Shares to the shareholders of the Transferor Company. It is clarified that there shall be no change and/ or reduction in the authorized share capital of the Transferor Company pursuant to the reduction and cancellation of the AMIPL Extinguished Share Capital.
- 4.3 The Transferor Company has engaged Mr. Vikarth Kumar, registered valuer, to provide a valuation report. In connection with such engagement, Mr. Vikarth Kumar, registered valuer, has issued a valuation report dated September 16, 2020. The Board of Directors of Transferor Company have agreed to discharge the consideration by transfer and delivery of the AMIPL Equity Shares to the shareholders of the Transferor Company, based on their independent judgment and after taking into consideration the aforesaid valuation report at their meeting held on September 18, 2020.
- 4.4 On effecting the reduction of the AMIPL Extinguished Share Capital, the share certificates in respect of the AMIPL Extinguished Shares held by the holder(s) of AMIPL Extinguished Shares shall also be deemed to have been cancelled and extinguished.
- 4.5 The reduction of the AMIPL Extinguished Share Capital shall be effected as an integral part of this Scheme itself, and not under a separate procedure, in terms of Section 66 and other applicable provisions of the Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 and other applicable provisions of the Act, confirming such reduction of share capital. The consent of the shareholders and creditors of the Transferor Company to this Scheme shall be deemed to be the consent of its respective shareholders and creditors for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.
- 4.6 It is clarified that the reduction of the AMIPL Extinguished Share Capital shall not cause any holder of AMIPL Extinguished Shares to hold any fractional shares in the Transferor Company.



4.7 The employees of the Transferor Company shall not be affected in any manner by the proposed reduction of the AMIPL Extinguished Share Capital.

4.8 **Accounting Treatment on reduction of AMIPL Extinguished Share Capital**

**Accounting in the Books of Transferor Company**

4.8.1 Upon the Scheme becoming effective and with effect from the Appointed date, the financial statements of the Transferor Company shall be accounted as per Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in the following manner:

(i) Transferor Company shall derecognise the equity share capital outstanding on account of cancellation of its equity shares equivalent to the value of equity share received from Transferee company.

(ii) Transferor Company shall derecognise the investment in equity shares of Transferee Company at its carrying value.

4.8.2 The difference, if any, between the carrying value of investments derecognized and the share capital cancelled shall be recognised in other equity.



**PART-V**  
**AMALGAMATION OF AMALGAMATING COMPANY**

**5 THE TRANSFER BY WAY OF AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY**

- 5.1 Upon Part V of this Scheme becoming effective, and with effect from the Appointed Date, the Amalgamating Company comprising solely of the Residual Business Undertaking including all its present and future assets and liabilities whether known or unknown but specifically excluding those relating to the Transferred Undertaking and AMAIPL Equity Shares, shall stand transferred to and be vested in the Amalgamated Company, as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits and interest therein, in accordance with Applicable Laws, if any, and the provisions contained therein
- 5.2 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, upon the Scheme becoming effective, and with effect from the Appointed Date, the whole of the business, personnel, property, assets, investments, rights, benefits and interest therein of the Amalgamating Company comprising of the Residual Business Undertaking shall, stand transferred to and be vested in the Amalgamated Company, without any further act or deed and by virtue of the order passed by the NCLT. Without prejudice to the generality of the above, upon the Scheme becoming effective, and with effect from the Appointed Date the Amalgamating Company solely comprising of the Residual Business Undertaking shall stand transferred to and be vested in the Amalgamated Company in the manner described herein below:
- 5.2.1 All assets of the Amalgamating Company comprising of the Residual Business Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery 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 5.2.1 shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. No stamp duty is payable on the transfer of such movable properties, being vested in the Amalgamated Company;
- 5.2.2 All movable properties of the Amalgamating Company comprising of the Residual Business Undertaking, other than those specified in sub-clause 5.2.1 above, including investments, 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 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;
- 5.2.3 All immovable properties of the Amalgamating Company comprising of the Residual Business Undertaking, if any, including land whether freehold, leasehold cum sale basis, licensed or otherwise held by the Amalgamating Company, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements entered into by Amalgamating Company, together with security deposits and advance / prepaid lease / license fee, documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed 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, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to Amalgamated Company. 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 NCLT in accordance with the terms hereof. It is hereby clarified that all the rights, title and interest (including stamp duty paid) of the Amalgamating Company in the leasehold properties, if any, shall, pursuant to Sections 230 to 232 and other applicable provisions of the 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 Amalgamated Company;

- 5.2.4 All the rights, title, interests, benefits, entitlement and advantages, contingent rights, applications made to obtain rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of, or enjoyed by, or to which, the Amalgamating Company comprising of the Residual Business Undertaking, may be entitled to subsequently and all other interests, continuing rights, title and interests and any of its equipment shall be vested in the Amalgamated Company with effect from the Appointed Date. The Amalgamated Company shall be deemed to be the applicant for mining lease(s) in place of the Amalgamating Company comprising of the Residual Business Undertaking, for all purposes under the Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder, as amended from time to time and any other applicable law.
- 5.2.5 All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of the Amalgamating Company comprising of the Residual Business Undertaking, shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and the Amalgamated Company undertakes to meet, discharge and satisfy the same. 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 5.2;
- 5.2.6 The rupee denominated external commercial borrowing availed by the Amalgamating Company from Oakey Holding B.V., Netherlands for funding under the Resolution Plan shall stand transferred to the Amalgamated Company and be deemed to be the debts, liabilities and obligations of the Amalgamated Company. It is hereby clarified that approval of the Reserve Bank of India was obtained for the purposes of the availing the rupees denominated external commercial borrowing by the Amalgamating Company; and application made to the Reserve Bank of India in this regard, also mentioned the amalgamation/merger of the Amalgamating Company into the Amalgamated Company and consequent transfer of the external commercial borrowing pursuant thereto;
- 5.2.7 The existing security or charge in favor of the secured creditors shall remain unaffected and shall continue to remain valid and in full force and effect even after the transfer of the Amalgamating Company comprising of the Residual Business Undertaking to the Amalgamated Company. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of the Amalgamating Company and Amalgamated Company;





It is hereby clarified that –

- (i) Existing security, if any, in respect of abovementioned liabilities shall extend to and operate only over the assets comprised in the Residual Business Undertaking which has been charged and secured in respect of the abovementioned liabilities. If any of the assets comprised in the Residual Business Undertaking have not been charged or secured in respect of the abovementioned liabilities, such assets shall remain unencumbered.
- (ii) If any existing security in respect of any part of the abovementioned liabilities extends wholly or in part over the assets of the Amalgamating Company other than the Residual Business Undertaking, then the Amalgamating Company shall create adequate security in respect of such part of the abovementioned liabilities over the assets of the Residual Business Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Amalgamating Company other than the Residual Business Undertaking shall be released and discharged from such encumbrance.
- (iii) If any security or charge exists on the assets comprising of the Residual Business Undertaking in respect of the loans and liabilities which have not been transferred to Amalgamated Company pursuant to this Scheme, the Amalgamating Company shall create adequate security over the assets of the Amalgamating Company other than the Residual Business Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Residual Business shall be released and discharged from such encumbrance;

5.2.8 All cheques and other negotiable instruments, payment orders, if any, received in the name of the Amalgamating Company pertaining to the Residual Business Undertaking after the Effective Date shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company:

5.2.9 All documents including memorandums of undertaking, guarantees, counter guarantees, consents, approvals, comfort letter, letter of intent, representations received from contractual counterparties and/or regulatory authority contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company comprising of the Residual Business Undertaking, or to the benefit of which, the Amalgamating Company may be eligible in relation to the Residual Business Undertaking and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect, with effect from Appointed Date and upon this Scheme becoming effective, 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 obligee thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees and letters of credit, agreements with any Governmental Authority, hire purchase agreements, agreements with service providers or contractors for the supply of manpower or contract labour, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Amalgamating Company comprising of the Residual Business Undertaking or to the benefits of which Amalgamating Company in relation to Residual Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, 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 court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of Amalgamated Company. All agreements to which Amalgamating Company comprising of the Residual Business Undertaking is a party or to the



benefits of which Amalgamating Company may be eligible in relation to the Residual Business Undertaking and which are subsisting or having effect immediately before the Effective Date shall stand vested in favour of Amalgamated Company on the same terms and conditions. Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder;

- 5.2.10 Any notices, disputes, pending suit/appeal, legal, Tax, or any complaint or claim to any ombudsman, or other proceedings (including Tax proceedings) of whatsoever nature relating to the Amalgamating Company comprising of the Residual Business Undertaking, whether by or against the Amalgamating Company, shall not abate or 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 they would or might have been continued, prosecuted and/or enforced by or against the Amalgamating Company, as if this Scheme had not been made. The Amalgamated Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to Amalgamating Company;
- 5.2.11 All employees of the Amalgamating Company comprising of the Residual Business Undertaking, who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment 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 stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of Applicable Laws and in terms of this Scheme. It is hereby 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;
- 5.2.12 All licenses, permissions, approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, whether statutory, regulatory or otherwise, (including the licenses granted by Governmental Authorities for the purpose of carrying on its business or in connection therewith) held by the Amalgamating Company required to carry on its operations of the Residual Business Undertaking shall stand transferred to and be vested in the Amalgamated Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favor of the Amalgamated Company. The benefit of all permissions, approvals and consents, whether statutory, regulatory or otherwise, of the Amalgamating Company comprising of the Residual Business Undertaking shall vest in and become available to the Amalgamated Company pursuant to the Scheme. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause 5.2, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of Amalgamated Company pursuant to the sanction of this Scheme by the court and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Amalgamated Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;
- 5.2.13 Upon coming into effect of this Scheme, the past track record of Amalgamating Company relating to the Residual Business Undertaking, including the profitability, production volumes, experience, credentials, net worth, technical expertise, and market share, shall be deemed to be the track record of the Amalgamated Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the



Amalgamated Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

- 5.2.14 Any and all registrations, goodwill, licenses appertaining to the Amalgamating Company comprising of the Residual Business Undertaking shall stand transferred to and vested in the Amalgamated Company;
- 5.2.15 All Taxes, deferred tax balances, including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of the Amalgamating Company comprising of the Residual Business Undertaking, including all or any refunds or claims shall be treated as the Tax liability or refunds /Tax Credits / claims, as the case may be, of the Amalgamated Company and any Tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, Tax losses, including brought forward loss, unabsorbed depreciation, etc., as would have been available to the Amalgamating Company, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company.
- 5.2.16 For the purpose of giving effect to the vesting and transfer order passed under Sections 230 to 232 of the Act, in respect of this Scheme, the Amalgamated Company shall be entitled to get the recordal of the change in the legal title and rights appurtenant thereto upon the transfer and vesting of all the assets including investments pursuant to the Scheme.

### 5.3 Saving of Concluded Transactions

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Part V of the Scheme in relation to the Residual Business Undertaking shall not affect any transaction or proceedings already concluded by the Amalgamating Company 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 in so far as it relates to the Residual Business Undertaking.

### 5.4 Procedural formalities post sanction of the Scheme

- 5.4.1 The Amalgamated Company shall, 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, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company comprising of the Residual Business Undertaking, has been a party, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings 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 in so far as it relates to the Residual Business Undertaking.
- 5.4.2 Upon the Scheme becoming effective, for statistical purposes only and without any separate deed, instrument or writing, the Amalgamating Company comprising of the Residual Business Undertaking and/or the Amalgamated Company shall, if required, simultaneously with the amendment in the register of charges, file particulars of the modified charge with the Registrar of Companies. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Amalgamating Company and the Amalgamated Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Amalgamating Company.
- 5.4.3 Upon the Scheme becoming effective, all permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses,



whether statutory, regulatory or otherwise, relating to the Amalgamating Company comprising of the Residual Business Undertaking, shall stand transferred to and vested in the Amalgamated Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the aforesaid licenses, if any application is required for the statistical record of the statutory authorities to implement the transfer and vesting of such licenses, as provided hereinabove, the Amalgamated Company shall facilitate the statutory authorities by filing such applications, which shall be granted/ approved in favour of the Amalgamated Company based on the sanction order of the Scheme by the NCLT.

5.4.4 Upon the Scheme becoming effective, the Amalgamated Company is expressly entitled to revise its Tax returns and related withholding certificates and shall be entitled to claim Tax refund, Tax Credits pertaining to the Amalgamating Company comprising of the Residual Business Undertaking, if any.

5.4.5 From the Effective Date, all bank accounts of the Amalgamating Company comprising of the Residual Business Undertaking shall be permitted to be continued with the same balances as of the Effective Date in the name of the Amalgamated Company and for statistical record the Amalgamated Company shall be permitted to file names and particulars of the new authorized signatories for withdrawals and/ or deposits/ credits in such bank accounts and the relevant bank accounts shall be reconstituted accordingly.

#### 5.5 Conduct of Business

5.5.1 With effect from the Appointed Date and until occurrence of the Effective Date:

- (i) the Amalgamating Company comprising of the Residual Business Undertaking shall carry on its business in its ordinary course with reasonable diligence and business prudence and in a manner consistent with its past practices;
- (ii) 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 in relation to the Residual Business Undertaking, for and on account of and in trust for the Amalgamated Company;
- (iii) all profits accruing to the Amalgamating Company comprising of the Residual Business Undertaking and all Taxes thereon or losses accumulated or otherwise arising or incurred by it shall, for all purposes, be treated as and deemed to be the profits, Taxes or losses, as the case may be, of the Amalgamated Company;

5.6 Between the Appointed Date and the Effective Date, as per agreement between the Amalgamating Company and Amalgamated Company, some employees of the Amalgamating Company comprising of the Residual Business Undertaking who are on its pay roll may get transferred to and be engaged by the Amalgamated Company.

5.7 It is hereby clarified that, during the pendency of the Scheme in the event the ownership of the Thakurani Mine vests in Amalgamated Company from the Amalgamating Company/Transferor Company, then paragraph (vi) shall be deemed excluded from Schedule A.

5.8 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Amalgamating Company comprising of the Residual Business Undertaking, as on the close of business on the date preceding the Appointed Date, whether or not provided in their books, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Amalgamated Company.



- 5.9 With effect from the Effective Date, the Amalgamated Company shall commence and carry on and shall be authorized to carry on the business of the Amalgamating Company comprising of the Residual Business Undertaking.
- 5.10 For the purpose of giving effect to the amalgamation order passed by the NCLT under Sections 230 to 232 and other applicable provisions of the Act in respect of the Scheme, the Amalgamated Company shall, at any time pursuant to the order on the Scheme, be entitled to get the recordal of the change in the legal right(s) in its name upon the amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act.
- 5.11 **Consideration**
- 5.11.1 Upon this Scheme becoming effective, and consequent transfer and vesting of the Amalgamating Company comprising solely of the Residual Business Undertaking to the Amalgamated Company in terms of this Scheme, the shareholders of Amalgamating Company as of the Record Date, shall be entitled to receive Equity Shares of Amalgamated Company as detailed in this Clause.
- 5.11.2 Amalgamating Company and Amalgamated Company have engaged Mr. Vikarth Kumar, registered valuer, to provide a valuation report. In connection with such engagement, Mr. Vikarth Kumar, registered valuer, has issued a valuation report dated September 16, 2020. The Board of Directors of Amalgamating Company and Amalgamated Company have determined the share exchange ratio i.e., 2504,13,06,142 (Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Share of Rs 10 (Rupees Ten) each of Amalgamated Company: 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Rs 10 (Rupees Ten) each of the Amalgamating Company ("**Share Exchange Ratio**"), based on their independent judgment and after taking into consideration the aforesaid valuation report at their respective meetings held on September 18, 2020.
- 5.11.3 The Amalgamated Company shall issue and allot Equity Shares of Amalgamated Company as per Share Exchange Ratio to the shareholders of Amalgamating Company on Record Date, i.e., 2504,13,06,142 (Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Share having a face value of Rs. 10/- (Rupees Ten) each, fully paid up. of Amalgamated Company shall be issued and allotted for 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of Amalgamating Company.
- 5.11.4 The Equity Shares to be issued and allotted by Amalgamated Company in terms of this Clause 5.11 shall be subject to the provisions of the memorandum of association and articles of association of Amalgamated Company and shall rank *pari passu* in all respects with the existing Equity Shares of Amalgamated Company.
- 5.12 **Cancellation of Equity Shares held by Amalgamating Company in Amalgamated Company**
- 5.12.1 Simultaneous with the issuance of the Equity Shares to the shareholders of Amalgamating Company, in accordance with this Clause 5.12.1, the issued and paid up equity share capital of Amalgamated Company, comprising of 922,20,00,000 (Nine Hundred Twenty Two Crores Twenty Lakh) Equity Shares of Rs. 10 each, aggregating to Rs. 9222,00,00,000 (Rupees Nine Thousand Two Hundred Twenty Two Crores only) as held by Amalgamating Company, shall, without any further application, act, instrument or deed, be automatically cancelled and extinguished.



- 5.12.2 The cancellation of the equity share capital held by Amalgamating Company in Amalgamated Company, in accordance with this Clause 5.12 of the Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming such reduction of share capital. The consent of the shareholders and creditors of Amalgamated Company to this Scheme shall be deemed to be the consent of its respective shareholders and creditors for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.
- 5.12.3 The reduction of capital of Amalgamated Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form. The Amalgamated Company shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of its capital under Clause 5.12 of this Scheme.

### 5.13 Change in Authorized Share Capital

- 5.13.1 Upon this Scheme becoming effective and upon the vesting and transfer of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company pursuant to the terms of this Scheme, the entire authorized share capital of the Amalgamating Company shall stand transferred / added to and be merged with the authorized share capital of Amalgamated Company, without any liability for payment of any additional fees or stamp duty.
- 5.13.2 By virtue of sub-clause 5.13.1 above, the authorized share capital of the Amalgamated Company shall stand increased by an amount of Rs. 80000,00,00,000 (Rupees Eighty Thousand Crores only) and **Clause V** of the memorandum of association of the Amalgamated Company shall stand substituted/amended to read as follows:

*"V. The Authorized Share Capital of the Company is Rs. 79900,00,00,000 (Rupees Seventy Nine Thousand Nine Hundred Crores) divided into 7990,00,00,000 (Seven Thousand Nine Hundred and Ninety Crore) Equity Shares of Rs. 10/- (Rupees Ten) each, and 10,00,00,000, 10% Cumulative Redeemable Preference Shares of Rs 10/- each with the rights, privileges and conditions attaching thereto as provided by the requisitions of the Company for the time being with power to increase and reduce the capital of the Company and divide the shares in the Capital for the time being into several classes to attach thereto or in accordance with the Articles of the Company for the time being in force, and to modify, enlarge or abrogate any such right, privilege or conditions in such manner as may be permitted by the said Act or provided by the articles of association of the Company for the time being force."*

- 5.13.3 It is hereby clarified that for the purposes of increasing the authorized share capital of the Amalgamated Company in accordance with Clause 5.13.1 and 5.13.2 of Part V, the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Amalgamated Company and consequential amendments in Clause V of its Memorandum of Association and all actions taken in accordance with this Clause 5.13 of Part V of this Scheme shall be deemed to be in full compliance of Sections 13, 61 and 64 of the Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 61 and 64 of the Act and/or any other applicable provisions of the Act, would be required to be complied with.
- 5.13.4 For the avoidance of doubt, it is clarified that, in case, the authorised share capital of Amalgamated Company and / or, Amalgamating Company, as the case may be, undergoes any change during the pendency of the Scheme, either as a consequence of any corporate actions or



otherwise, then this Clause 5.13 shall automatically stand modified / adjusted accordingly to take into account the effect of such change.

5.13.5 The stamp duty or registration filing fees paid on the authorized share capital of the Amalgamating Company are permitted to be utilized and applied towards the increase in the authorized share capital of the Amalgamated Company in accordance with Clauses 5.13.1 and 5.13.2 above, and no further demand of additional stamp duty or filing/registration fee shall be raised or made upon the Amalgamated Company by any regulatory authorities in relation to such increase in the authorized share capital of the Amalgamated Company, including by the Registrar of Companies.

**5.14 Reduction of capital reserve and capital redemption reserve of the Amalgamated Company**

5.14.1 The amount lying as balance in the Balance Sheet of the Amalgamated Company (as accumulated losses) under the head 'Retained Earnings' forming part of 'Other Equity', as on the Appointed Date, shall be, in the books of the Amalgamated Company, adjusted/reduced as follows in accordance with provisions of Sections 230 to 232, Section 66 and Section 55 of the Act and any other applicable provisions of law:

- (i) Firstly, against reduction of Capital Reserve Account of the Amalgamated Company amounting to Rs. 2356,28,91,335 (Rupees Two Thousand Three Hundred Fifty Six Crores Twenty Eight Lacs, Ninety One Thousand, Three Hundred and Thirty Five only);
- (ii) Secondly, against reduction of Capital Redemption Reserve Account of the Amalgamated Company amounting to Rs. 202,92,48,320 (Rupees Two Hundred and Two Crores Ninety Two Lakh Forty Eight Thousand, Three hundred and Twenty only);
- (ii:) The remaining balance, lying in the Balance Sheet of the Amalgamated Company (as accumulated losses) under the head 'Retained Earnings' forming part of 'Other Equity' in the books of the Amalgamated Company, shall be carried in the books of the Amalgamated Company as on Appointed Date.

5.14.2 For giving effect to the above provisions, the permission from the shareholders of the Amalgamated Company shall be deemed to have been received as contemplated by the Act and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for this purposes and all actions taken in accordance with this Clause 5.14 of Part V of this Scheme shall be deemed to be in full compliance of applicable provisions of the Act.

5.14.3 The reduction in the Capital Reserve Account and / or Capital Redemption Reserve Account as aforesaid, of the Amalgamated Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any unpaid share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction of Capital Reserve Account and /or Capital Redemption Reserve Account. Such a reduction shall be deemed to be effective on and from the Appointed Date. The Amalgamated Company shall not be required to add "and reduced" as a suffix.

**5.15 Accounting Treatment**

**Accounting in the books of Amalgamated Company**



5.15.1 Upon the Scheme becoming effective and with effect from the Appointed date, the financial statements of the Amalgamated Company shall be accounted as per Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in following manner:

- (i) The Amalgamated Company shall record the assets and liabilities of the Amalgamating Company vested in it pursuant to this Scheme at the respective carrying amounts appearing in the books of accounts of the Amalgamating Company;
- (ii) The balance of the retained earnings appearing in the financial statements of the Amalgamating Company is aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company;
- (iii) The identity of the reserves 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.

5.15.2 The difference, if any, between the carrying amounts of the net assets (including reserves) acquired, and the face value of the equity share capital of the Amalgamated company issued to the shareholders of the Amalgamating Company upon cancellation of the reduced share capital of Amalgamating Company, including difference resulting from elimination of intercompany balances, shall be recognised as capital reserve.

**Accounting in the books of Amalgamated Company (in relation to the reduction of capital reserve and capital redemption reserve of the Amalgamated Company)**

5.15.3 Upon the Scheme becoming effective and with effect from the Appointed Date, the financial statements of the Amalgamated Company shall be accounted, in the following manner:

- (i) The debit balance of retained earnings appearing in the financial statements of the Amalgamated Company shall be set-off against the credit balance of the capital reserve and capital redemption reserve appearing in its financial statements.

**5.16 Tax**

5.16.1 Any Tax liabilities (including contingent liabilities) of the Amalgamating Company allocable or related to the Residual Business Undertaking shall be transferred to the Amalgamated Company.

5.16.2 Any Tax assets such as Tax Credits or refunds pertaining to Taxes including consequent to the assessment made in respect of Amalgamating Company allocable or related to the Residual Business Undertaking, for which no credit is taken in the accounts, shall also belong to and be received by Amalgamated Company. Amalgamating Company and/or Amalgamated Company will undertake due compliances to effect the same.

5.16.3 The Tax payments whether by way of tax deducted at source by the customers, advance tax or otherwise howsoever, by Amalgamating Company allocable or related to the Residual Business Undertaking after the Appointed Date, shall be deemed to be paid by Amalgamated Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source by either the Amalgamating Company or the Amalgamated Company on account of inter-company transactions between Amalgamated Company and Amalgamating Company post the Appointed Date, shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.





- 5.16.4 All Tax assessment proceedings/appeals of whatsoever nature by or against the Amalgamating Company pending and/or arising at the Appointed Date and relating to the Residual Business Undertaking shall be continued and/or enforced until the Effective Date as desired by Amalgamated Company. As and from the Effective Date, the Tax proceedings/ appeals shall be continued and enforced by or against Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against Amalgamating Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company comprising of the Residual Business Undertaking with Amalgamated Company or anything contained in the Scheme.
- 5.16.5 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by Amalgamating Company allocable or related to the Residual Business Undertaking, shall be made or deemed to have been made and duly complied with by the Amalgamated Company.
- 5.16.6 The provisions of this Part V of the Scheme as they relate to the amalgamation of Amalgamating Company comprising of the Residual Business Undertaking into and with Amalgamated Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of this Part V of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961, shall prevail and this Part V of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.
- 5.16.7 Amalgamating Company and Amalgamated Company shall be entitled to, amongst others, file/or revise its Tax filings and returns, or any other statutory returns, if required, even if the prescribed time limit for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum.
- 5.16.8 All the expenses incurred by the Amalgamating Company and the Amalgamated Company wholly and exclusively for the purposes of amalgamation, including stamp duty expenses, if any, shall be allowed as deduction to the Amalgamated Company in accordance with the Section 35DD of the Income -tax Act, 1961 over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective.
- 5.17 Dissolution of Amalgamating Company**
- 5.17.1 On the Scheme becoming effective the Amalgamating Company shall stand dissolved without being wound up.
- 5.18 Change of status of Amalgamated Company from 'Public Limited' to 'Private Limited'**
- 5.18.1 Upon the Scheme coming into effect, the Amalgamated Company shall stand converted from a "public limited company" to a "private limited company" as an integral part of the Scheme without any further act or deed provided the number of members excluding present and past employees remains below 200 (two hundred). Accordingly, the name of the Amalgamated Company upon effecting the status change would read and appear as "ArcelorMittal Nippon Steel India Private Limited". It shall be deemed that the shareholders of the Amalgamated Company have resolved and accorded all relevant consents under Sections 13 and 14 or any other applicable provision of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13 and 14 or any other applicable provision of the Act for the amendment of the articles of association and memorandum of association.



The amendments to the articles of association of the Amalgamated Company shall be deemed to have effected without any further act or deed and shall be treated as an integral part of the Scheme. The sanction of this Scheme by the NCLT shall be deemed to be in compliance with the applicable provisions of the Act and any other consents and approvals required in this regard.

5.18.2 Further, the Amalgamated Company agrees to comply with any specific requirement, if necessary or directed by NCLT for completing the change in status from a "public" to "private company", filing of the necessary documents, forms etc. with the relevant Registrar of Companies or any other applicable authority to give effect to the status change of the Amalgamated Company.

#### 5.19 Amendment to the Memorandum of Association

5.19.1 In order to carry on the activities currently being carried on by the Amalgamating Company comprising of the Residual Business Undertaking, upon coming into effect of the Scheme, the main objects in the memorandum of association of the Amalgamating Company comprising of the Residual Business Undertaking including:

*"To carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing or otherwise dealing:*

- (i) in iron and steel as iron mongers, iron masters, steel makers and steel converters;*
- (ii) in ferro-silicon, ferro-chromine and/or all products made of iron and steel, coking coal, manganese, ferro-manganese, limestone, refractories, iron ore and other alloys;*
- (iii) as miners, smelters, and iron founders;*
- (iv) in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, hauxite, cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying concrete manufacturing in all respective branches, and other allied input or other materials;"*

shall be added to the main objects of the memorandum of association of the Amalgamated Company, to the extent such objects are not already covered by those of the Amalgamated Company. The consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13 or any other applicable provision of the Act would be required to be separately passed.



**PART-VI**  
**GENERAL / RESIDUARY TERMS AND CONDITIONS**

**6 GENERAL / RESIDUARY TERMS AND CONDITIONS**

- 6.1 The Transferor Company/Amalgamating Company, Transferee Company and the Amalgamated Company, shall, with all reasonable dispatch, simultaneously, make necessary applications/ petitions to the NCLT, for sanctioning this Scheme and all matters ancillary or incidental thereto (including seeking order for dispensing with or for convening, holding and/or conducting of the meetings of the classes of their respective members and/or creditors) under Sections 230 to 232 and other applicable provisions of the Act, as per the requirements of the Act.
- 6.2 Upon the Scheme coming into effect, the name of the Transferee Company shall stand changed to that of the Transferor Company viz., ArcelorMittal India Private Limited, as an integral part of the Scheme without any further act, things or deed, subject to the Transferee Company filing necessary form/application with the Registrar of Companies, as may be required in this regard. It is hereby clarified that the approval/consent to the Scheme by the respective shareholders of Transferor Company and Transferee Company shall be deemed to be requisite shareholders' approval required under the Act for effecting such change of name, including necessary amendments in the Memorandum of Association and Articles of Association of Transferee Company in relation to such change of name.
- 6.3 The Scheme is conditional upon and subject to the following:
- 6.3.1 Subject to necessary dispensations from convening any meeting(s) of members and/or creditors, as may be granted by the NCLT, the Scheme being approved by the requisite majority in number and value of the members and creditors of the Scheme Entities as required under the Act and as may be directed by the NCLT;
- 6.3.2 the Scheme being sanctioned by the NCLT under Sections 230 to 232 and other applicable provisions of the Act;
- 6.3.3 Any other sanction or approval of any Governmental Authority or regulatory authority, as may be considered necessary and appropriate by the Board of Directors of the Scheme Entities, being obtained and granted in respect of any of the matters for which such sanction or approval is required; and
- 6.3.4 the certified copy(ies) of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies, by the Scheme Entities.
- 6.4 This Scheme shall become effective on such date when the certified copy(ies) of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies, by the Scheme Entities. Such date shall be known as the "Effective Date". For the avoidance of doubt, it being clarified that in case the Scheme Entities 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 the Effective Date.
- 6.5 Upon this Scheme becoming effective, the following shall be deemed to have occurred simultaneously on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:



- 6.5.1 transfer and vesting of the Transferred Undertaking from the Transferor Company into the Transferee Company in accordance with Part III of this Scheme;
- 6.5.2 increase in the authorized share capital of Transferee Company (including amendment of its memorandum of association) as provided in Part III of this Scheme;
- 6.5.3 issue and allotment of AMAIPL Equity Shares to the Transferor Company in accordance with Part III of this Scheme;
- 6.5.4 cancellation of the AMIPL Extinguished Shares in its entirety and consequent reduction of the AMIPL Extinguished Share Capital, without any further act or deed as provided in Part IV of this Scheme;
- 6.5.5 transfer and delivery of the AMAIPL Equity Shares to the shareholders of the Transferor Company as provided in Part IV of this Scheme;
- 6.5.6 amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company as provided in Part V of this Scheme;
- 6.5.7 transfer of the authorized share capital of Amalgamating Company to Amalgamated Company as provided in Part V of this Scheme, and consequential increase in the authorized share capital of Amalgamated Company (including amendment of its memorandum of association) as provided in Part V of this Scheme;
- 6.5.8 issue and allotment of Equity Shares of the Amalgamated Company to the shareholders of the Amalgamating Company as of Record Date in accordance with Part V of this Scheme;
- 6.5.9 cancellation of the shareholding of Amalgamating Company in Amalgamated Company in its entirety, without any further act or deed as provided in Part V of this Scheme;
- 6.5.10 reduction of share capital of the Amalgamated Company in accordance with Part V of this Scheme;
- 6.5.11 reduction of capital reserve and capital redemption reserve of the Amalgamated Company in accordance with Part V of this Scheme;
- 6.5.12 dissolution of Amalgamating Company without being wound -up;
- 6.5.13 change in status of the Amalgamated Company from 'Public Limited' to 'Private Limited'; and
- 6.5.14 change in the name of the Transferee Company to that of the Transferor Company viz., ArcelorMittal India Private Limited.
- 6.6 The provisions of this Scheme are inextricably inter-linked with the other provisions of this Scheme and this Scheme constitutes an integral whole. This Scheme shall be given effect to only in its entirety and in the sequence and order mentioned in Clause 6.4 above.
- 6.7 Upon this Scheme becoming effective, it shall be binding on the Scheme Entities and their respective shareholders, creditors and all other stakeholders.
- 6.8 The Scheme Entities (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the NCLT 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 for implementing and/or carrying out this Scheme. The Scheme Entities (acting through its respective Boards of Directors) be



and are hereby authorized 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 order of the NCLT or of any directive or order 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. The Scheme Entities shall be at liberty to withdraw from this Scheme or a part thereof in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them, or for any other reason as may be considered necessary or desirable by the companies for such withdrawal.

- 6.9 All costs, expenses, charges, fees, Tax, 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 pertaining to transfer and vesting of the Transferred Undertaking and amalgamation shall be borne by the Amalgamated Company and shall be treated as per the relevant provisions of the Income-tax Act, 1961 and the Central Goods & Services Tax Act, 2017.
- 6.10 If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under Applicable 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 parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.
- 6.11 In the event any of the sanctions and approvals as may be considered necessary and appropriate by the Board of Directors of the Scheme Entities not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme 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 rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.
- 6.12 In case any doubt or difference or issue (in relation to the Scheme) arises between Scheme Entities, any of their shareholders, creditors, employees or persons, as to the interpretation of any term of the Scheme or implementation of this Scheme, after the Scheme becomes effective, then the Board of Directors of Scheme Entities shall mutually resolve all such disputes and its decision shall be final and binding on all concerned.



## SCHEDULE A

Residual Business means the following and Annexure A to this Schedule A

- (i) All physical assets consisting of furniture & fixtures including office equipment and computers & peripherals acquired by AMIPL for the office premises situated COWRKS, 2<sup>nd</sup> Floor of Birla Centurion, Worli Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra 400030 ("**AM Mumbai Office**"). Security Deposit paid by AMIPL for AM Mumbai Office.
- (ii) AMIPL's investment in the equity shares of ArcelorMittal Nippon Steel India Limited (*previously known as Essar Steel India Limited*).
- (iii) Indebtedness/loans of Essar Steel India Limited acquired by AMIPL from banks and financial institutions pursuant to the Resolution Plan (as defined in Part I above). Interest receivable from ArcelorMittal Nippon Steel India Limited (*previously known as Essar Steel India Limited*).
- (iv) Indebtedness/loans of Uttam Galva Steel Limited acquired by AMIPL from banks and financial institutions.
- (v) Inter corporate deposits provided to Uttam Galva Steel Limited.
- (vi) Thakurani Mine Business Undertaking comprising of all rights and obligations under the mining lease executed by AMIPL with the State Government of Odisha for mining of iron ore at the mines situated at Thakurani ("**Thakurani Mine**"), including all assets, books and records, liabilities, employees, contracts (including vendor/customer), licenses, approvals, creditors, debtors all advance monies, earnest monies and/or security deposits Tax and Tax Credits other statutory dues, inventories of iron ore stock and upfront payment made to State Government of Odisha in relation to the Thakurani Mine.
- (vii) Rupee denominated external commercial borrowing availed by the AMIPL from Oakey Holding B.V., Netherlands and accrued interest on such borrowing.
- (viii) Advances received from ArcelorMittal Nippon Steel India Limited (*previously known as Essar Steel India Limited*) for supply of iron ore.
- (ix) Advance Income Tax, Cash & Bank Balances, Trade Payable & Provisions and Statutory dues payable as mentioned at Annexure A.

It is hereby clarified that, during the pendency of the Scheme in the event the ownership of the Thakurani Mine vests in Amalgamated Company from the Amalgamating Company/Transferor Company, then paragraph (vi) shall be deemed excluded from this Schedule A.



## Annexure A

## ArcelorMittal India Private Limited

## Net Assets Value of Residual Business as at 31 December 2019

(All amount in ₹ Million)

As at 31 December 2019

<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	-00
Financial assets	
Investments	-00
Loans	-00
Other non-current assets	-00
<b>Total non-current assets</b>	<b>4,32,844</b>
<b>Current assets</b>	
Financial assets	
Cash and cash equivalents	-00
Loans	-00
Other current assets	
<b>Total current assets</b>	<b>7,205</b>
<b>Total assets</b>	<b>4,40,049</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Financial liabilities	
Borrowings	-00
Provisions	-00
<b>Total non-current liabilities</b>	<b>2,40,000</b>
<b>Current liabilities</b>	
Financial liabilities	
Trade payables	
(a) Total outstanding dues of micro enterprises and small enterprises: and	-00
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-00
Other financial liabilities	-00
Other current liabilities	-00
Provisions	-00
Current tax liabilities (net)	-00
<b>Total current liabilities</b>	<b>1,376</b>
<b>Total Liabilities</b>	<b>2,41,376</b>
<b>Net Assets</b>	<b>1,98,673</b>

