

**SCHEME OF ARRANGEMENT**

**BETWEEN**

**DALMIA CEMENT (BHARAT) LIMITED**

**AND**

**DALMIA BHARAT REFRACTORIES LIMITED**

**(FORMERLY KNOWN AS SRI DHANDAUTHAPANI MINES AND MINERALS LIMITED)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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

**PREAMBLE**

**(A) Dalmia Cement (Bharat) Limited** is a public company limited by shares, incorporated on 4<sup>th</sup> July, 1996 under the provisions of the Companies Act, 1956, and is having its registered office at Dalmiapuram, Dist. Tiruchirappalli, Tamil Nadu - 621651 ("DCBL" or "Transferor Company").

DCBL is engaged in the business of manufacturing and selling of cement and refractory products, generating power, maintaining and operating rail systems and solid waste management system which provide support services to the cement business.

**(B) Dalmia Bharat Refractories Limited** is a public company limited by shares, incorporated on 4<sup>th</sup> October, 2006 under the provisions of the Companies Act, 1956 and is having its registered office at Dalmiapuram, Dist. Tiruchirappalli, Tamil Nadu - 621651 ("DBRL" or "Transferee Company").

As on date DBRL is not carrying on any refractory operations but proposes to enter into the business of manufacture and sale of refractories, refractory materials and products.

For Dalmia Cement (Bharat) Limited

*[Signature]*  
Authorised Signatory

For Dalmia Bharat Refractories Limited

*[Signature]*  
Authorised Signatory



## RATIONALE FOR THE SCHEME

- (A) DCBL is primarily engaged in the manufacture and marketing of cement along with its associated activities like power generation, maintaining and operating rail systems and solid waste management system.
- (B) DCBL, which currently also houses refractory operations in India and outside India (through its subsidiaries) intends to segregate the entire refractory operations from its primary cement operations and house the same in DBRL, an existing entity.
- (C) DBRL is currently a subsidiary of DCBL in which DCBL holds 99.99% of the issued, subscribed and paid up equity share capital.
- (D) The divestment of refractory operations from DCBL to DBRL would assist in creating a sharper and efficient focus and accountability, individually in both cement and refractory operations.
- (E) A separate scheme of amalgamation and arrangement which has been approved by the Board of DBRL, (Scheme 2 as defined in sub clause 1.17 herein) inter alia provides for merger of Dalmia Refractories Limited ("DRL") and GSB Refractories India Private Limited ("GSB India") into DBRL thereby creating a consolidated refractory business of considerable size.
- (F) DCBL believes that the transfer of its Refractory Undertaking (as defined in sub clause 1.13 herein) into DBRL and the subsequent merger of DRL and GSB India with DBRL would lead to the following benefits:
1. Consolidation of refractory operations currently spread across different corporate entities viz. DCBL, GSB India and DRL, which will thereby lead to creation of a business of substantial size;
  2. Economies of scale for the consolidated refractory business;
  3. Permits the consolidated refractory business to pursue a focused growth strategy which is suited to the strategic requirements of the Refractory Undertaking thus helping in achieving structural and operational efficiency, enhanced competitiveness and greater accountability;



4. Enable potential fund raising for the consolidated refractory business (both equity and debt) and provide better flexibility in accessing capital; and
  5. Create value for the shareholders of DCBL by participating in a consolidated refractory business.
- (G) The respective Board of Directors (as defined hereinafter) of DCBL and DBRL after detailed deliberation in their meetings held on November 14, 2019, approved this Scheme, incorporating therein the proposed transfer of the Refractory Undertaking of DCBL to DBRL.

#### **PARTS OF THE SCHEME**

This Scheme is divided into the following parts:

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



## PART I – DEFINITIONS AND INTERPRETATION

### 1. DEFINITIONS AND INTERPRETATION

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

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 including the rules and regulations made thereunder, and any alterations, modifications, amendments made thereto and/or any re-enactment thereof, as applicable and for the time being in force;
- 1.2 **“Applicable Law”** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, circulars, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.3 **“Appointed Date”** shall mean April 1, 2019 or such other date as may be agreed by the Board of Transferor Company and Transferee Company or as the Hon'ble NCLT may decide/approve, being the date with effect from which this Scheme shall become operative and/or be deemed to have become operative;
- 1.4 **“Board of Directors” or “Board”** in relation to Transferor Company and Transferee Company, as the case may be, means the Board of Directors of such company, and shall include a committee duly constituted and authorized by each of the companies and/or their respective Boards, for the purposes of various matters pertaining to the Scheme and/or any other related, connected or incidental matters;
- 1.5 **“CCDs”** means Compulsorily Convertible Debentures of INR 100/- each to be issued pursuant to Clause 6 below. The key terms of the CCDs are given in Schedule I below;
- 1.6 **“DCBL” or “Transferor Company”** means Dalmia Cement (Bharat) Limited, a public company limited by shares, incorporated on 4<sup>th</sup> July, 1996 under the provisions of the



Companies Act, 1956, and having its registered office at Dalmiapuram, Dist. Tiruchirappalli, Tamil Nadu- 621651;

- 1.7 **"Effective Date"** shall mean the last of the dates on which all the conditions and matters referred to in Clause 20 of this Scheme have been fulfilled or are waived by the Board of both Transferor Company and Transferee Company. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "coming into effect of this Scheme" shall mean the "Effective Date";
- 1.8 **"Encumbrance"** means any (i) charge, lien (statutory or other), or mortgage, any easement, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, , including any restriction on use, voting, Transfer, receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above, and the term **"Encumbered"** shall be construed accordingly;
- 1.9 **"Governmental Authority"** means any applicable central, state or local government or semi-government, legislative body, executive, regulatory or administrative authority, local authority, agency or commission or any court, tribunal, board, department, commission, entity, agency, bureau, instrumentality, official, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India ("RBI") and the Securities and Exchange Board of India ("SEBI") or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;
- 1.10 **"Income Tax Act"** means the Income Tax Act, 1961, including the rules made thereunder, and any amendments, alterations, modifications made thereto or any re-enactments thereof for the time being in force;
- 1.11 **"National Company Law Tribunal" or "NCLT"** means the National Company Law Tribunal constituted by the Central Government under section 408 of the Act having jurisdiction in relation to Transferor Company and Transferee Company;



1.12 "Refractory Business" means the business of the Transferor Company relating to its refractory operations;

1.13 "Refractory Undertaking" means the Refractory Business of Transferor Company comprising inter alia of its undertakings, assets, liabilities, properties, investments and employees, of whatsoever nature and kind, and wheresoever situated, which relate thereto, or are necessary thereof as on the Appointed Date on a going concern basis, including but not limited to the following:

- a) All movable and immovable properties, including plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, packing material, stationery, all rights, title, interest and claims in leasehold properties, including the mining leases and the prospecting licences (including in each case, any applications made thereof) whether real, personal or mixed, corporeal or incorporeal, in possession or otherwise, tangible or intangible, present or future, actual or contingent of whatsoever nature, powers, authorities, allotments, approvals, consents, letters of intent, registrations, identified for use in relation to Refractory Business including but not limited to all land (including freehold, leasehold, leave and licensed land), buildings, any tenancies in relation to land and buildings, parking rights, title, rights, interests and benefits and documents of title, and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such land and all other rights including rights arising under contracts in connection with such immovable properties, equipment, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any relevant Governmental Authority or others, loans, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees corporate guarantees, letters of credit, financial assets and instruments, investments and other funds along with accrued interest thereon and benefits attached thereto, pertaining to the Refractory Business.





- b) All receivables, debts, liabilities, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, pertaining to the Refractory Business;
- c) All contracts, agreements, leases, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature, to which Transferor Company is a party, exclusively relating to its Refractory Business or otherwise identified to be for the benefit of the same;
- d) All intellectual property rights including registrations, brand, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow, trade secrets, exclusively used by or held for use by Transferor Company in relation to its Refractory Business, whether or not registered, owned or licensed, including any form of intellectual property which is in progress;
- e) All permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies including tenancy rights in relation to offices and residential properties, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any relevant Governmental Authority including but not limited to the relevant licenses, electricity, water supply and environment related approvals and connections, telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents,



rénovations ou extension qui exclusivement se rapportent à, émises ou détenues pour être utilisées par la Société Transférante concernant son activité de Refractory Business;

- f) Lorsque des licences, autorisations, services, etc. sont utilisés par la Société Transférante dans son ensemble (c'est-à-dire pour son activité de Refractory Business et son activité résiduelle conjointement), la Société Transférée sera autorisée à continuer d'utiliser de telles licences, autorisations, services, etc. jusqu'à ce que la Société Transférée soit en mesure d'obtenir de telles licences, autorisations, services, etc. sous son propre nom;
- g) Tous les avantages, droits, exemptions, reports de paiement, incitations et concessions en vertu de programmes et politiques incluant des droits, taxes, levies, remboursements, crédits d'intérêt et réclamations en matière de douanes, droits de consommation, service de taxe, TVA, GST, taxes de vente et taxes d'entrée et lois de taxes sur le revenu, subventions recevables du Gouvernement, subventions de toute autorité gouvernementale pertinente, tous autres avantages directs de taxes, exemptions/déductions, reports de taxes de vente, dans la mesure où ils sont légalement disponibles/allouables/référables ou liés à la Société Transférante concernant son activité de Refractory Business, ainsi qu'avec les obligations associées;
- h) Tous les employés de la Société Transférante concernant son activité de Refractory Business au jour de l'entrée en vigueur, qu'ils soient permanents ou temporaires, y compris les employés/personnel embauchés sur contrat et les travailleurs à contrat, les apprentis, les stagiaires/les stagiaires, tant sur le territoire national qu'à l'étranger, dans leurs bureaux, succursales et tous autres employés/personnel et travailleurs à contrat, apprentis, stagiaires/stagiaires embauchés par la Société Transférante après la date de la présente, s'il y a lieu, et tous les paiements effectués en faveur de tout fonds de provision, assurance d'État des employés, assurance de retraite, fonds de bien-être du personnel ou tout autre régime spécial, fonds ou avantages existant au profit de ces employés de la Société Transférante, ainsi qu'avec les investissements effectués par ces fonds, qui sont transférables à ces employés de la Société Transférante;
- i) Toutes les procédures (qu'elles soient civiles, pénales ou fiscales) ou autres procédures ou enquêtes de quelque nature qu'elles soient (y compris celles devant toute autorité gouvernementale) initiées par ou contre la Société Transférante ou des procédures ou





investigations to which Transferor Company is party to, that pertain to its Refractory Business, if so ascertainable, whether pending/ongoing as on the Appointed Date or which may be instituted any time in the future; and

- j) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, pertaining to its Refractory Business.
- k) all debts, borrowings, obligations and liabilities, whether present or future, whether secured or unsecured, of Transferor Company pertaining to the Refractory Business comprising of:
- i. all the debts, duties, obligations and liabilities, including contingent liabilities which arise out of the activities or operations of Transferor Company pertaining to the Refractory Business;
  - ii. the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of Transferor Company pertaining to the Refractory Business;

Any question that may arise as to whether a specific asset (tangible or intangible) or any liability pertains or does not pertain to the Refractory Undertaking or whether it arises out of the activities or operations of the Refractory Undertaking or not and whether the same shall be transferred or not shall be decided solely by the Board of Transferor Company.

1.14 "Registrar of Companies" means the jurisdictional Registrar of Companies;

1.15 "Remaining Business" means all the undertakings, businesses, activities and operations of Transferor Company, but excluding the Refractory Undertaking as defined in sub clause 1.13 above;



- 1.16 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Hon’ble NCLT or this Scheme with such modification(s), if any made, as per Clause 18 of the Scheme;
- 1.17 **“Scheme 2”** means the Scheme of Amalgamation and Arrangement amongst Dalmia Refractories Limited and GSB Refractories India Private Limited and Dalmia Bharat Refractories Limited and Dalmia OCL Limited and their respective shareholders and creditors with or without any modification approved or imposed or directed by the NCLT;
- 1.18 **“DBRL” or “Transferee Company”** means Dalmia Bharat Refractories Limited, a public company limited by shares, incorporated on 4th October, 2006 under the Companies Act, 1956 and having its registered office at Dalmiapuram, Dist. Tiruchirappalli, Tamil Nadu- 621651.
- 1.19 **“Slump Exchange”** means the transfer and vesting of the Refractory Undertaking to the Transferee Company on a going concern and “as-is-where-is” basis to be exchanged by issuance of equity shares and CCDs or such other instrument of the Transferee Company, on such terms and conditions, or in any other manner, as may be mutually agreed between the Board of Transferor Company and Transferee Company, without values being assigned to the individual assets and liabilities, as an inseparable whole, and to be implemented in terms of Part III of the Scheme.
- 1.20 **“Taxation” or “Tax” or “Taxes”** means all forms of taxes (whether direct or indirect) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to Transferor Company and Transferee Company and all penalties, charges, costs and interest relating thereto;
- 1.21 **“Tax Laws”** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, goods and services tax or any other levy of similar nature;



## 2. CONSTRUCTION

2.1 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, the Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996, Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2.2 In this Scheme, unless the context otherwise requires:

- a) words denoting singular shall include plural and vice versa;
- b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- c) references to the word "include" or "including" shall be construed without limitation;
- d) a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- e) reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- f) references to a person include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether having separate legal personality or not).
- g) references to any of the terms, taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- h) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.
- i) unless otherwise defined, the reference to the word "days" shall mean calendar days;



- j) references to dates and times shall be construed to be references to Indian dates and times;
- k) any reference to any statute or statutory provision shall include:
- (i) all subordinate legislations made from time to time under that provision (whether amended, modified, re-enacted or consolidated from time to time or not) and any retrospective amendment; and
  - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.



## PART II - SHARE CAPITAL

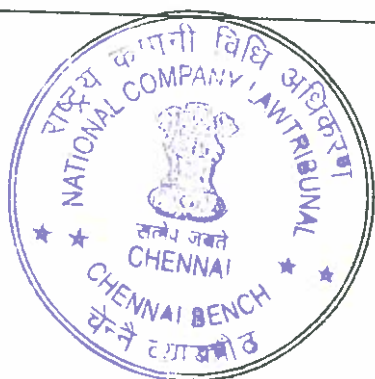
### 3. SHARE CAPITAL

3.1 The authorized, issued, subscribed and paid-up share capital of Transferor Company as on November 14, 2019 is as under:

Share Capital	Amount in crs
<b>Authorized Share Capital</b>	
38,53,50,000 Equity Shares of Rs. 10/- each	385.35
3,00,00,000 Preference Shares of Rs. 100/- each	300.00
72,30,00,000 Unclassified Shares of Rs. 10/- each	723.00
<b>Total</b>	<b>1,408.35</b>
<b>Issued, Subscribed and Fully Paid Up Share Capital</b>	
31,40,45,267 Equity Shares of Rs. 10/- each, fully paid up	314.04
<b>Total</b>	<b>314.04</b>

3.2 The authorized, issued, subscribed and paid-up share capital of Transferee Company as on November 14, 2019 is as under:

Share Capital	Amount in crs
<b>Authorized Share Capital</b>	
4,00,00,000 equity shares of Rs. 10/- each	40.00
<b>Total</b>	<b>40.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
70,000 equity shares of Rs. 10/- each, fully paid up	0.07
<b>Total</b>	<b>0.07</b>



**4. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 18 of this Scheme, shall be effective from the Appointed Date, but shall be operative from the Effective Date.



**PART III – TRANSFER AND VESTING OF REFRACTORY UNDERTAKING TO THE TRANSFEREE COMPANY**

**5. SLUMP EXCHANGE**

5.1 With effect from the Appointed Date and on the Scheme becoming effective, pursuant to the provisions of Sections 230 to 232 and all other provisions of the Act, the Refractory Undertaking shall without any further act, instrument, deed, matter or thing be transferred from the Transferor Company and vested in Transferee Company as a going concern and on an "as-is-where-is" basis, by way of slump exchange, on such terms and conditions, or in any other manner, as may be mutually agreed between the Boards of Directors of Transferor Company and Transferee Company without values being assigned to the individual assets and liabilities, as an inseparable whole, as detailed in Clause 5.2 below.

**5.2 TRANSFER AND VESTING OF REFRACTORY UNDERTAKING**

Upon the Scheme becoming effective, with effect from the Appointed Date,

5.2.1. All the moveable assets pertaining to the Refractory Undertaking capable of being transferred to and vested by delivery, including plant and machinery, or which are incorporeal property shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to Transferee Company along with such other documents as may be necessary or by manual/constructive delivery of possession and/or by endorsement and delivery, as appropriate in relation to the property/asset, towards the end and intent that the property therein passes to Transferee Company on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of Transferee Company accordingly. The investments of the Refractory Undertaking held in dematerialized form will be transferred to Transferee Company by issuing appropriate delivery instructions to the depository participant with whom Transferor Company has an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Transferor





Company and Transferee Company, being a date after the sanction of the Scheme by the NCLT.

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

5.2.3. Without prejudice to any of the clauses above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties pertaining to the Refractory Undertaking, including land together with buildings and structure and rights thereon, whether freehold or leasehold, and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the applicable provisions of



the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into Transferee Company, as of the Appointed Date. The mutation of the title to the immoveable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of Transferee Company without requirement of execution of any further documents for registering the name of Transferee Company as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, etc. may rely on the Scheme along with the copy of the order passed by the NCLT sanctioning the Scheme, to make necessary mutation entries and changes in the land or revenue records to reflect the name of Transferee Company as owner of the immovable properties. For the purposes of giving effect to the Scheme, if required, the Transferor Company and Transferee Company may execute separate conveyance deeds to effectuate the transfer of immovable property located in different states. For the purpose of determination of the stamp duty pursuant to the said transfer, the reckoner value of the immovable property would be deemed to be the consideration. Further, such determination of value of assets for the sole purpose of payment of stamp duty, registration fees or other similar taxes shall not be regarded as assignment of values to individual assets or liabilities.

- 5.2.4. All intellectual property including registrations, licenses, trademarks, logos, service marks, copyrights, domain names, trade names, and applications relating thereto, goodwill, intangibles, know how, trade secrets or any other property of like nature, pertaining to the Refractory Undertaking (specifically excluding such intellectual property rights as may be identified by the Board of Transferor Company), if any, shall stand vested in Transferee Company without any further act, instrument or deed.
- 5.2.5. All the liabilities pertaining to the Refractory Undertaking shall, without any further act, instrument or deed, be transferred to and vested into as the liabilities of the Transferee Company, to the extent they are outstanding on



the Appointed Date and shall become the liabilities of Transferee Company on the same terms and conditions as were applicable to Transferor Company, and Transferee Company alone shall meet, discharge and satisfy the same.

- 5.2.6. All liabilities pertaining to the Refractory Undertaking, including those which are incurred or which arise or accrue on or after the Appointed Date but prior to the Effective Date, shall, without any further act, instrument or deed, be transferred to and vested into as the liabilities of Transferee Company and the same shall be assumed by Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to Transferor Company and Transferee Company alone shall meet, discharge and satisfy the same.
- 5.2.7. Any liabilities pertaining to the Refractory Undertaking as on the Appointed Date that are discharged by Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of Transferee Company.
- 5.2.8. The transfer and vesting of the Refractory Undertaking, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof.

Provided that in so far as the assets comprised in the Refractory Undertaking are concerned, the security and charge over such assets relating to any loans or liabilities pertaining to the Remaining Business shall, without any further act or deed, be released from such encumbrance and shall no longer be available as security in relation to such loans or liabilities.

Provided further that in so far as the assets comprised in the Remaining Business are concerned, the security over such assets relating to the loans, borrowings, debts and financial assistance pertaining to the Refractory Undertaking shall, without further act, instrument or deed, along with any guarantees, indemnities, or undertakings provided by Transferor Company in relation to the Refractory Undertaking, be released and discharged from the obligations and security relating to the same. With effect from the Appointed



Date and upon the Scheme becoming effective, Transferee Company undertakes to meet, discharge and satisfy the loans, borrowings, debts and financial assistance pertaining to the Refractory Undertaking transferred to it.

Provided also that the transfer and vesting of loans/liabilities shall continue to have encumbrances confined only to the relevant assets of the Refractory Undertaking or part thereof and no such encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of or to be availed of by it, and the encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.

Provided that all loans (raised and utilized), liabilities, duties and taxes and obligations of the Transferor Company in relation to the Refractory Undertaking incurred or undertaken on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company and shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company as a part of transfer of Refractory Undertaking and the same shall be assumed by Transferee Company and Transferee Company shall 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.

5.2.9. Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all permits including mining leases, authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested contingent



or impending), of every kind and description of whatsoever nature in relation to the Refractory Undertaking, to which Transferor Company is a party to or to the benefit of which Transferor Company may be eligible and which are subsisting or having effect immediately before the Appointed Date shall, subject to Applicable Law, stand transferred to and vested in or shall be deemed to be transferred to and vested in Transferee Company as if the same were originally given or issued to or executed in favour of Transferee Company, and the rights and benefits under the same shall be available to Transferee Company. Further, Transferor Company shall execute such further deeds or documents as may be required to give effect to this Clause.

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

5.2.11. Taxes, if any, paid or payable by the Transferor Company after the Appointed Date and specifically pertaining to its Refractory Undertaking shall be treated as paid or payable by the Transferee Company and the Transferee Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.

5.2.12. If the Transferor Company is entitled to any unutilized credits (including balances or advances), benefits under the incentive schemes and policies including tax holiday or concessions relating to its Refractory Undertaking under any Tax Laws or Applicable Laws, the same shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to Transferee Company as if Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions and the



Transferee Company shall be entitled, as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission.

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

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

5.2.15. Any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Refractory Undertaking, the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferor Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

## 6. ISSUE OF EQUITY SHARES AND CCDs

6.1. Upon coming into effect of the Scheme and as stated in Clause 5 above, in exchange of the Refractory Undertaking transferred by the Transferor Company, the Transferee Company shall:

a) issue and allot 68,48,926 equity shares of face value of INR 10/- each at a premium of INR 180.6/- each, credited as fully paid up to the Transferor





Company.

b) issue and allot 2,25,00,000 CCDs of face value of INR 100/- each at par to the Transferor Company or such other instrument, on such terms and conditions, or in any other manner, as may be mutually agreed between the Board of Directors of Transferor Company and Transferee Company; and

- 6.2. The equity shares and CCDs issued pursuant to sub clause 6.1 above shall be issued in dematerialized form by Transferee Company.
- 6.3. The equity shares to be issued to the Transferor Company as above shall be subject to the Memorandum and Articles of Association of Transferee Company and shall rank pari passu with the existing equity shares of Transferee Company in all respects including dividends (subject to the provisions of Section 123 of the Act) for the purpose of any dividend declared after the Scheme becomes effective. The holders of the equity shares of Transferor Company and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the companies of which they are members for the financial year up to the Appointed Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of Transferor Company or Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Transferor Company and Transferee Company and subject to the approval of the shareholders of Transferor Company and Transferee Company.
- 6.4. The Board of the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government/Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares and CCDs to the Transferor Company pursuant to sub clause 6.1 of the Scheme.
- 6.5. Transferee Company shall, if necessary and to the extent required, increase its authorized share capital to facilitate issue of equity shares under this Scheme

Approval of this Scheme by the shareholders of Transferee Company shall be deemed to be in compliance with the provisions of Section 42, 62 and 71 of the Act and





the other relevant and applicable provisions of the Act, including the Rules framed thereunder, for the issue and allotment of equity shares and CCDs by Transferee Company to Transferor Company as provided in this Scheme.

- 6.7. The approval of this Scheme by the shareholders of both the companies under Section 230 to Section 232 of the Act shall be deemed to have the approval under Sections 13, 14, 180 and 186 of the Act and other applicable provisions of the Act and any other consents and approvals required in this regard.

## 7. ACCOUNTING TREATMENT

### 7.1. IN THE BOOKS OF TRANSFEROR COMPANY

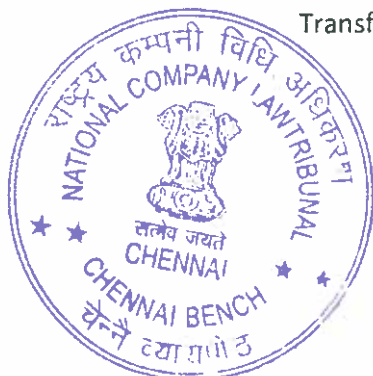
Transferor Company shall, upon the Scheme becoming effective and with effect from the Appointed Date, account for the transfer of its Refractory Undertaking as under:

- 7.1.1. Transferor Company shall reduce the carrying book value of all the assets and liabilities pertaining to its Refractory Undertaking from its books of accounts.
- 7.1.2. The aggregate value of the equity shares received as per sub clause 6.1(a) above shall be debited to "Investment in Equity Shares of DBRL" account
- 7.1.3. The aggregate value of the CCDs received as per sub clause 6.1(b) above shall be debited to 'Investment in CCDs of DBRL' account;
- 7.1.4. Any difference between the aggregate value of investment recorded as per sub clause 7.1.2 and sub clause 7.1.3 and the net assets transferred as per sub clause 7.1.1, shall be adjusted in the Statement of Profit & Loss.
- 7.1.5. The Board may adopt any other accounting treatment which is in accordance with Accounting Standards notified under the Act.

### 7.2. IN THE BOOKS OF TRANSFEREE COMPANY

Transferee Company shall, upon the Scheme becoming effective and with effect from the Appointed Date, account for acquisition of the Refractory Undertaking in accordance with IND AS 103 as under:

- 7.2.1. All the identifiable assets and liabilities of the Refractory Undertaking vested in the Transferee Company pursuant to the Scheme shall be recorded in the books of the



Transferee Company at their respective fair values as on the Appointed Date as may be determined by the Board of the Transferee Company.

- 7.2.2. The Transferee Company shall credit to its equity share capital account the aggregate face value of equity shares issued pursuant to sub clause 6.1(a). The Transferee Company shall credit to its Securities Premium Account, the aggregate premium on equity shares issued by it pursuant to sub clause 6.1(a) of this Scheme. Securities Premium so created will be treated at par with any other Securities Premium existing in the books of the Transferee Company prior to this Scheme.
- 7.2.3. The Transferee Company shall credit to the 'Compulsorily Convertible Debentures' account the aggregate value of CCDs issued pursuant to sub clause 6.1(b) above.
- 7.2.4. To the extent that there are inter-company loans, advances, investments, deposits or other obligations as between Transferor Company and Transferee Company, which pertain to the Refractory Undertaking, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferor Company as well as Transferee Company for the reduction of any such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances, with effect from the Appointed Date.
- 7.2.5. Excess, if any, of the aggregate of the value of CCDs recorded as per sub clause 7.2.3 and the value of equity shares recorded as per sub clause 7.2.2 over the fair value of net assets of Refractory Undertaking as per sub clause 7.2.1 after giving effect to the adjustment as per sub clause 7.2.4 shall be recorded as goodwill and shortfall, as the case may be, will be adjusted in capital reserve account.
- 7.2.6. The Transferee Company shall record in its books of account, all transactions of the Transferor Company pertaining to its Refractory Undertaking in respect of assets, liabilities, income and expenses, from the Appointed Date to the Effective Date.
- 7.2.7. The Board may adopt any other accounting treatment which is in accordance with Accounting Standards notified under the Act.

#### REDUCTION OF SECURITIES PREMIUM ACCOUNT OF TRANSFEE COMPANY



- 8.1 Any goodwill arising as a result of sub clause 7.2.5 if not represented by underlying assets, shall be adjusted against the Securities Premium Account (including securities premium arising pursuant to sub clause 6.1(a) above) of the Transferee Company.
- 8.2 The utilization of the Securities Premium Account of the Transferee Company as mentioned in sub clause 8.1 above shall be effected as an integral part of this Scheme without having to follow the process under Section 52 read with Section 66 of the Act separately and the order of the NCLT sanctioning the Scheme shall be deemed to be the order under Section 66 of the Act for the purposes of confirming the reduction. The Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

#### 9. EMPLOYEES

- 9.1 On the Scheme becoming effective all staff, workmen and employees of Transferor Company pertaining to the Refractory Undertaking who are in service as on the Effective Date shall become staff, workmen and employees of Transferee Company by operation of law, on same terms and conditions, which shall be no less favorable than those on which they are engaged by Transferor Company, without any break in their service and on the basis of continuity of service. Transferee Company agrees that the services of all such employees with Transferor Company, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Refractory Undertaking shall be mutually decided by Board of Transferor Company and Transferee Company.
- 9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts created for the benefit of the staff, workmen and employees of the Refractory Undertaking (hereinafter collectively referred as "Funds") shall, with the approval of the concerned authorities, become Funds of Transferee Company, or shall be transferred to or merged with other similar funds of Transferee Company for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance



with the provisions of respective Trust Deeds or other agreements, if any, to the end and intent that all rights, duties, powers and obligations of Transferor Company in relation to such Funds shall become those of the Transferee Company and Transferee Company shall stand substituted for Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds. Further, the employees of Transferor Company entitled to the benefit of superannuation and gratuity fund from Transferor Company as on Effective Date, shall continue to be entitled to the same from Transferee Company. It is the intent that all the rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall become those of Transferee Company without need of any fresh approval from any Governmental Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees by Transferee Company and the services of all such employees of Transferor Company for such purpose shall be treated as having been continuous.

9.3 Services of all employees of Transferor Company, pertaining to the Refractory Undertaking prior to the transfer, shall be taken into account by Transferee Company for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in Transferor Company. Transferee Company undertakes to pay the same, as and when payable under Applicable Laws.

9.4 Transferor Company will transfer/handover to Transferee Company, copies of employment information of all such transferred employees of Refractory Undertaking, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms,



notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

- 9.5 Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by Transferor Company with employees of Refractory Undertaking to the extent applicable in relation to the Refractory Undertaking, which are subsisting or having effect immediately prior to Appointed Date and continuing from Appointed Date till the Effective Date.

#### 10. ENCUMBRANCES

- 10.1 Upon the Scheme becoming effective, the secured creditors of Transferor Company that relate to the Refractory Undertaking, if any, and/or other security holders over properties of the Refractory Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of Refractory Undertaking, as existing immediately prior to transfer and vesting of the Refractory Undertaking into Transferee Company. The secured creditors of Transferee Company and/or other security holders over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of Transferee Company, as existing immediately prior to the Scheme becoming effective. It is hereby clarified that pursuant to the transfer and vesting of the Refractory Undertaking in Transferee Company, in terms of Part III of this Scheme, the secured creditors of Transferor Company related to the Refractory Undertaking and/or other security holders over the properties of its Refractory Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of Transferee Company and vice versa, and hence such assets of Transferor Company related to its Refractory Undertaking and that of Transferee Company, as the case may be, which are currently not encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of Transferee Company.
- 10.2 Any reference in any security documents or arrangement to which Transferor Company is a party and which pertain to Refractory Undertaking, and its assets and properties, shall be construed as a reference to Transferee Company and the assets



and properties of Refractory Undertaking, transferred to Transferee Company pursuant to Part III of the Scheme.

- 10.3 Without prejudice to the foregoing provisions, Transferee Company may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge with the Registrar of Companies to give formal effect to the above provisions, as required.
- 10.4 The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.
- 10.5 Transferor Company and/or Transferee Company, as the case may be, shall, at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which Transferor Company has been a party, including any filings with the regulatory authorities, and do all such acts or things as may be necessary for transfer/vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company in relation to the Refractory Undertaking including their respective business and operations, into Transferee Company in order to give formal effect to the above provisions. Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

## 11. LEGAL PROCEEDINGS





- 11.1 Upon the Scheme becoming effective, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, by or against Transferor Company in any court or before any authority, judicial, quasi-judicial or administrative, any adjudicating authority pending and/or arising on or after the Appointed Date and relating to Refractory Business, to the extent the same are ascertainable, shall be continued and enforced by or against Transferee Company only to the exclusion of Transferor Company in the manner and to the same extent as would have been continued and enforced by or against Transferor Company. Transferor Company shall not be liable to pay any amounts arising out of such proceedings including interest, penalties, damages, costs etc. and the same shall be paid only by Transferee Company.
- 11.2 After the Appointed Date, if any proceedings are taken against Transferor Company in respect of the matters referred to in sub clause 11.1 above, Transferor Company shall defend the same at the cost of Transferee Company and Transferee Company shall reimburse and indemnify Transferor Company against all liabilities and obligations incurred by Transferor Company in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc. which Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to Refractory Undertaking.
- 11.3 Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Company referred to in sub clause 11.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Transferee Company to the exclusion of Transferor Company to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by Transferee Company, the proceedings shall be pursued by Transferor Company for and on behalf of Transferee Company as per the instructions of and entirely at the cost and expenses of Transferee Company.

12. **TRANSACTIONS UPTO THE EFFECTIVE DATE**

Upon filing the Scheme with the Hon'ble NCLT and up to and including the Effective Date:





- 12.1 Transferor Company shall be deemed to have been carrying on and shall carry on the business of the Refractory Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for Transferee Company. Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 12.2 Transferor Company shall carry on the business and activities of Refractory Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, in relation to the Refractory Undertaking; or alienate charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof.
- 12.3 With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company, in relation to the Refractory Undertaking, shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Transferee Company. All taxes (including Income Tax, Service Tax, Value Added Tax, GST etc.), paid or payable whether by way of deduction at source, advance tax or otherwise, by the Transferor Company, in respect of the profits or activities or operations of business after the Appointed Date, the same shall be deemed to be paid or payable on behalf of Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 12.4 Transferor Company shall not vary the terms and conditions of any agreements or contracts in relation to the Refractory Undertaking except in the ordinary course of business or without the prior consent of Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be.
- 12.5 Transferor Company and Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government and all other agencies,



departments and authorities concerned as are necessary under any law or rules for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

**13. CONTRACTS, DEEDS, ETC.**

- 13.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature (including but not limited to all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the Refractory Undertaking or to the benefit of which Refractory Undertaking may be eligible) pertaining to the Refractory Undertaking, which are subsisting as on the Effective Date, shall be in full force and effect against or in favour of Transferee Company, and may be enforced by or against Transferee Company as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party thereto.
- 13.2 Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Transferor Company and to implement or carry out all formalities required on the part of Transferor Company to give effect to the provisions of this Scheme.
- 13.3 Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Refractory Undertaking which Transferor Company owns or to which Transferor Company is a party, cannot be transferred to Transferee Company for any reason whatsoever, Transferor Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever



nature in trust for the benefit of Transferee Company, in so far as it is permissible so to do, till such time as the transfer is effected.

**14. REMAINING BUSINESS**

14.1 The Remaining Business of Transferor Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Transferor Company.

14.2 All legal and other proceedings by or against Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duty of Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against Transferor Company.

14.3 With effect from the Appointed Date and including the Effective Date –

(a) Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf;

(b) All profit accruing to Transferor Company thereon or losses arising or incurred by it relating to the Remaining Business shall, for all purposes, be treated as the profit, or losses, as the case may be, of Transferor Company.

14.4 If proceedings are taken against the Transferee Company in respect of matters referred to in sub clause 14.3 above relating to the Remaining Business, it shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company, and the latter shall reimburse and indemnify the Transferee Company, against all liabilities and obligations incurred by the Transferee Company in respect thereof.

14.5 If proceedings are taken against the Transferor Company in respect of matters referred to in sub clause 14.2 above relating to the Refractory Undertaking, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the



Transferor Company, against all liabilities and obligations incurred by the Transferor Company in respect thereof.

**15. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the Refractory Undertaking as above-mentioned and the continuance of proceedings by or against Transferor Company in relation to its Refractory Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that Transferee Company accept and adopt all acts, deeds and things done and executed by Transferor Company in respect thereto as done and executed on their behalf.

**PART IV – GENERAL TERMS AND CONDITIONS**

**16. DIVIDENDS**

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

16.2 The shareholders of Transferor Company and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends

16.3 On and from the Appointed Date, the profits of Refractory Undertaking of Transferor Company for the period beginning from the Appointed Date shall belong to and be deemed to be the profits of Transferee Company and will be available to Transferee Company for being disposed of in any manner as it thinks fit.

16.4 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Transferor Company and Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Boards of Directors, subject to such approval of the members, as may be required.

**17. APPLICATION TO NCLT**



17.1 Transferor Company and Transferee Company shall with all reasonable dispatch make all necessary applications to the Hon'ble NCLT for seeking approval to the Scheme under sections 230 to 232 of the Act for an order or orders thereof for carrying the Scheme into effect.

17.2 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to relevant Governmental Authority, if required, under Applicable Law(s) for such consents and approvals which Transferee Company may require to own and operate the Refractory Undertaking without any interruption.

#### 18. MODIFICATION OR AMENDMENTS TO THE SCHEME

Transferor Company and Transferee Company (through their respective Boards), in their full and absolute discretion, jointly and as mutually agreed in writing may:

18.1 Assent to any alteration(s) or modification(s) to this Scheme which the Hon'ble NCLT and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;

18.2 Give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith; or

18.3 Modify or vary the Scheme or any part thereof, prior to the Effective Date, in any manner at any time, subject to such modification being compliant with the applicable laws.

18.4 It is clarified that the approval of the shareholders and creditors of the Transferor Company and the Transferee Company to the Scheme shall include any subsequent modifications to the Scheme which may be undertaken by the Boards of Transferor Company and Transferee Company under this clause.

#### 19. WITHDRAWAL OF THE SCHEME



The Transferor Company and the Transferee Company, acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person or otherwise is unacceptable to any of them, in which case the Board of Directors of the other company shall decide consequent actions as considered appropriate by them.

**20. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- 20.1 The Scheme being sanctioned by the Chennai Bench of Hon'ble NCLT or any other authority under Sections 230-232 of the Act;
- 20.2 Approval of any Governmental Authority, as may be required, for transfer of mining lease and / or prospective mining lease to Transferee Company unless the same has no significant financial or other material adverse impact in opinion of the Board on Transferee Company.
- 20.3 Certified copy of the Order of the Chennai Bench of the Hon'ble NCLT sanctioning the Scheme being filed with the Registrar of Companies, Chennai, by Transferor Company and Transferee Company.
- 20.4 Notwithstanding anything contained in sub clause 20.1 to sub clause 20.3 above, the Board of the Transferor Company and Transferee Company, in their discretion, may decide to waive any of the conditions mentioned above, to the extent legally permissible.

**21. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or the Scheme not being sanctioned by the NCLT or such other competent authority and/or the Order not being passed as aforesaid before March 31, 2021 or within such further period or periods as may be agreed upon between Transferor Company and Transferee Company by their respective Board of Directors or any committee thereof (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), 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 is specifically provided in the Scheme or as may otherwise arise in law.

**22. COSTS, CHARGES & EXPENSES**

22.1 Each company (i.e. the Transferor Company and Transferee Company) shall bear its own past, present and future costs, charges, taxes including duties, levies and all other expenses incurred or to be incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto





SCHEDULE I – TERMS OF CCDs

Issuer	Dalmia Bharat Refractories Limited
Instrument	Compulsorily Convertible Debentures (CCDs)
Face value	INR 100/- for each CCD
Tenure	18 months
Conversion	During the tenure of the CCDs, CCDs can be converted into equity shares at any time by giving a prior notice of 30 days by either DCBL or DBRL. If the CCDs are not converted into equity shares during their tenure, post completion of 18 months the CCDs shall automatically be converted into equity shares
Conversion ratio	1906 CCDs to be converted into 1000 equity shares of INR 10/- each
Coupon Rate	Nil

For Dalmia Cement ( Bharat) Limited

  
Authorised signatory

For Dalmia Bharat Refractories Limited

  
Authorised Signatory

