



Ref: KL/SEC/2022-23/07

Date: 16th April, 2022

To,
The Manager- Listing
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400 051

To,
The Manager- Listing
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

NSE Symbol: KAMDHENU

BSE Scrip Code: 532741

Sub: Outcome of the Resolution passed by Circulation by Board of Directors of the Company on 15th April, 2022.

Ref: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Update on the Scheme of Arrangement

Dear Sir/ Ma'am,

We would like to inform you that in adherence to the observations raised by the Learned Regional Director (Northern Region) in its Representation Affidavit/report submitted to Hon'ble National Company Law Tribunal, Chandigarh Bench, on the Scheme of Arrangements of the Company, the Board of Directors of Kamdhenu Limited, in this regard, has considered, approved and passed the following Resolution by Circulation on 15th April, 2022 unanimously:

- Approved updation in Para 3.12.2 and 3.12.3 by elaborating the detailed and specific Accounting Treatment to be given on the De-merger by the Kamdhenu Colour and Coatings Limited (Resulting Company No. 2) and the Kamdhenu Ventures Limited (Resulting Company No. 1) in the Scheme of Arrangement; and
- Approved updation in Para 1.1(iv) w.r.t Appointed Date of the Scheme of Arrangement from 1st April, 2020 to 1st April, 2022 or any other date as may be approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench.

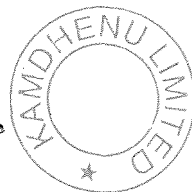
Reference to the above, we are enclosing the copy of the resolution approved by the Board of Directors by circulation, updated Scheme of Arrangement and Auditors Certificate on the accounting treatment.

A draft copy of the updated Scheme of Arrangement is also available on the website of the Company.

We request you to kindly take the same on records.

Thanking You,

Yours Faithfully,
For Kamdhenu Limited



Khem Chand
Company Secretary & Compliance Officer

Enclosures : i. Copy of the Board Resolution
ii. Updated Scheme of Arrangement
iii. Auditors Certificate on the accounting treatment.



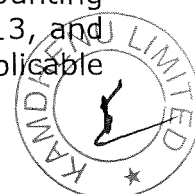
CERTIFIED TRUE COPY OF THE RESOLUTION PASSED THROUGH CIRCULATION BY THE BOARD OF DIRECTORS OF KAMDHENU LIMITED ON 15TH OF APRIL, 2022 IN TERMS OF SECTION 175 OF COMPANIES ACT, 2013

“Whereas pursuant to the provisions of Sections 230, 232 and 66 of the Companies Act, 2013 and other applicable provisions, if any, and subject to the requisite approvals, the Board of Directors of the Company had approved a Scheme of Arrangement of Kamdhenu Concast Ltd, Kamdhenu Overseas Ltd, Kamdhenu Paint Industries Ltd, Kamdhenu Infradevelopers Ltd, Kamdhenu Nutrients Pvt Ltd, Kay2 Steel Ltd, Tiptop Promoters Pvt Ltd, Kamdhenu Ltd, Kamdhenu Ventures Ltd and Kamdhenu Colour and Coatings Ltd. The Scheme of Arrangement provides for (a) Amalgamation of Kamdhenu Concast Ltd, Kamdhenu Overseas Ltd, Kamdhenu Paint Industries Ltd, Kamdhenu Infradevelopers Ltd, Kamdhenu Nutrients Pvt Ltd, Kay2 Steel Ltd and Tiptop Promoters Pvt Ltd (the Transferor Companies No. 1 to 7, respectively) with Kamdhenu Ltd (the Transferee Company); (b) De-merger of Paint Business (the Demerged Business) of Kamdhenu Ltd (the Transferee Company) into Kamdhenu Colour and Coatings Ltd (the Resulting Company No. 2); and issue of shares by Kamdhenu Ventures Ltd (the Resulting Company No. 1) to the Shareholders of Kamdhenu Ltd in consideration of the said de-merger; (c) Re-organisation of pre-Scheme Share Capital of Kamdhenu Ventures Ltd (the Resulting Company No. 1); and (d) Other matters connected with the aforesaid Amalgamation and De-merger, if any.

The Scheme was filed with BSE, NSE and SEBI for approval. Subsequently, requisite joint Application and Petition were filed before the Hon’ble National Company Law Tribunal, Chandigarh Bench, Chandigarh for necessary directions and for approval of the aforesaid Scheme. In terms of the provisions of Section 230(5), notices of the aforesaid joint Application/Petition and the Scheme of Arrangement were given to (a) the Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi; (b) the Registrar of Companies, NCT of Delhi and Haryana, Ministry of Corporate Affairs, New Delhi; (c) the Official Liquidator, Haryana, Ministry of Corporate Affairs, Chandigarh; (d) the Income Tax Department through the Nodal Office, Chandigarh as well as in the respective Circle/Ward where the Petitioner Companies are being assessed, for their comments/report on the aforesaid Scheme.

Whereas the Learned Regional Director, Ministry of Corporate Affairs, New Delhi has filed his Report/Affidavit dated 21st March, 2022, on the Scheme of Arrangement with the Hon’ble Tribunal along with Report of the Learned Registrar of Companies, NCT of Delhi and Haryana, New Delhi. Apart from certain submissions made by the ROC, the Learned Regional Director has made the following submissions to the Hon’ble Tribunal:

- i. Para 3.12.2 and 3.12.3 of the Scheme provides that the Resulting Company No. 2 and the Resulting Company No. 1 will follow the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India and other applicable provisions.



The Petitioner Companies may, however, be directed to incorporate specific and detailed accounting treatment to be given to the De-merger by the Resulting Company No. 2 and the Resulting Company No. 1 in the Scheme of Arrangement.

- ii. As per Para 1.1 (iv) of Part-1 of the Scheme, the Appointed Date for the Scheme of Arrangement means commencement of business on 1st April, 2020, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

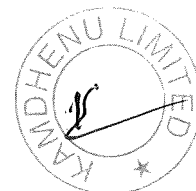
Since the Balance Sheet and Annual Return for the financial year 2020-2021 have already been overdue for filing, the Petitioner Companies may be directed to change the Appointed Date to a later date.

Whereas the Board perused the contents of Para '3.12.1', Para '3.12.2' and Para '3.12.3' of the Scheme which provides the salient features of the Accounting Treatment to be given to the De-merger by the Transferee Company, the Resulting Company No. 2 and the Resulting Company No. 1, respectively. The Board specifically noted the contents of Para '3.12.4' of the Scheme wherein the Board of Directors of the Transferee Company and the Resulting Companies No. 1 & 2, in consultation with the Statutory Auditors, may account for the de-merger and other connected matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, , the Income Tax Act, 1961, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

Whereas as desired by the Learned Regional Director, Ministry of Corporate Affairs, the Accounts Team in consultation with the Statutory Auditors prepared an elaborate working note giving detailed and specific Accounting Treatment to be given to the De-merger by the Resulting Company No. 2 and the Resulting Company No. 1.

Whereas copies of the Report/Affidavit of the Regional Director along with Report of the ROC; note on detailed and specific Accounting Treatment to be given to the De-merger by the Resulting Company No. 2 and the Resulting Company No. 1; draft Reply Affidavit to be filed by the Petitioner Companies with the Hon'ble Tribunal in response to the RD Report, draft Certificates from the respective Statutory Auditors on the specific accounting treatment to be incorporated in the Scheme and other documents were noted by the Board Members.

It is therefore Resolved That in continuation of earlier resolutions passed by the Board of Directors of the Company in the matter, consents of the Board of Directors of the Company be and is hereby accorded to incorporate detailed and specific Accounting Treatment to be given to the De-merger by the Resulting Company No. 2 and the Resulting Company No. 1 in the Scheme of Arrangement. Accordingly, Para 3.12.2 and 3.12.3 of the Scheme which provides the salient features of the Accounting Treatment to be given to the De-merger by the Resulting Company No. 2 and the Resulting Company No. 1, respectively be and are hereby replaced with the following New Para 3.12.2 and Para 3.12.3:



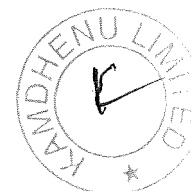
3.12.2: In the books of the Resulting Company No. 2

- a. The Resulting Company No. 2 shall record all the assets and liabilities (difference between the assets and liabilities hereinafter referred to as "Net Assets") pertaining to the Demerged Business vested in it pursuant to this Scheme, at the respective carrying values as reflected in the books of the Transferee Company as on the Appointed Date, in compliance with the provisions of the Companies Act, 2013, the Income Tax Act, 1961, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.*
- b. Surplus arising on De-merger [being excess of assets over liabilities of the Demerged Business], shall be credited to the 'Capital Reserve', in the books of the Resulting Company No. 2.*

3.12.3: In the books of the Resulting Company No. 1

- a. The Resulting Company No. 1 shall credit to the Share Capital Account, in its books of accounts, the aggregate face value of the new Equity and Preference Shares to be issued by it to the Equity Shareholders and Preference Shareholders of the Transferee Company pursuant to Clause 3.9.1 and 3.9.2 of this Scheme.*
- b. Pre-Scheme issued and paid-up share capital of the Resulting Company No. 1 which consists of 30,400 Equity Shares of ₹10 each aggregating ₹3,04,000, will be cancelled and 30,400 9% Compulsorily Redeemable Preference Shares of ₹10 each aggregating ₹3,04,000, will be created in place of such cancelled equity share capital as per Clause 3.10 of this Scheme.*
- c. The Resulting Company No. 1 shall create 'Deemed Investment Account' (forming part of overall investment) in its books of accounts by an amount equivalent to the Net Assets Value of the Demerged Business vested in the Resulting Company No. 2 [being excess of assets over liabilities of the Demerged Business].*
- d. Surplus arising on De-merger [being excess of Deemed Investment Account over the aggregate face value of the new Equity and Preference Shares to be issued by the Resulting Company No. 1 to the Shareholders of the Transferee Company], shall be credited to the 'Other Reserve', in the books of the Resulting Company No. 1.*

Resolved Further That consent of the Board of Directors of the Company be and is hereby accorded to change the Appointed Date of the Scheme from 1st April, 2020 to 1st April, 2022, or such other date as the Hon'ble Tribunal may approve. Accordingly, Para 1.1 'iv' of Part-1 of the Scheme be and is hereby replaced with the following New Para 1.1 'iv' of Part-1 of the Scheme:

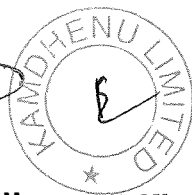


iv. "Appointed Date" for the purpose of this Scheme means commencement of business on 1st April, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

Resolved Further That consent of the Board of Directors of the Company be and is hereby accorded to the Scheme of Arrangement which is revised/modified in the aforesaid manner; and other documents as placed on record.

Resolved Further That necessary reply affidavit, revised/modified Scheme of Arrangement and other documents be submitted with the Hon'ble National Company Law Tribunal and other statutory authorities under the signatures of the Directors and/or other Persons already authorised by the Board for the same."

**Certified to be a true copy
For Kamdhenu Limited**



**Khem Chand
Company Secretary & Compliance Officer
FCS 10065**

SCHEME OF ARRANGEMENT OF KAMDHENU CONCAST LTD, KAMDHENU OVERSEAS LTD, KAMDHENU PAINT INDUSTRIES LTD, KAMDHENU INFRADEVELOPERS LTD, KAMDHENU NUTRIENTS PVT LTD, KAY2 STEEL LTD, TIPTOP PROMOTERS PVT LTD, KAMDHENU LTD, KAMDHENU VENTURES LTD AND KAMDHENU COLOUR AND COATINGS LTD;

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230, 232 & 66 OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS, IF ANY

A. Preamble

This Scheme of Arrangement is framed in terms of the provisions of sections 230, 232 and 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with sections 2(1B), 2(19AA) and 2(41A) of the Income Tax Act, 1961, and other applicable provisions, if any.

The Scheme of Arrangement provides for:

- i. Amalgamation of Kamdhenu Concast Ltd, Kamdhenu Overseas Ltd, Kamdhenu Paint Industries Ltd, Kamdhenu Infradevelopers Ltd, Kamdhenu Nutrients Pvt Ltd, Kay2 Steel Ltd and Tiptop Promoters Pvt Ltd (the Transferor Companies No. 1 to 7, respectively) with Kamdhenu Ltd (the Transferee Company);
- ii. De-merger of Paint Business (the Demerged Business) of Kamdhenu Ltd (the Transferee Company) into Kamdhenu Colour and Coatings Ltd (the Resulting Company No. 2); and issue of shares by Kamdhenu Ventures Ltd (the Resulting Company No. 1) to the Shareholders of Kamdhenu Ltd in consideration of the said de-merger;
- iii. Re-organisation of pre-Scheme Share Capital of Kamdhenu Ventures Ltd (the Resulting Company No. 1); and
- iv. Other matters connected with the aforesaid Amalgamation and De-merger.

B. Parts of the Scheme of Arrangement:

This Scheme provides for matters connected with the aforesaid Amalgamation and De-merger, etc. Accordingly, this Scheme is divided into the following parts:

Part-1 which deals with the Definitions, Share Capital of the Companies and the Rationale for the Scheme;

Part-2 which deals with Amalgamation of Kamdhenu Concast Ltd, Kamdhenu Overseas Ltd, Kamdhenu Paint Industries Ltd, Kamdhenu Infradevelopers Ltd, Kamdhenu Nutrients Pvt Ltd, Kay2 Steel Ltd and Tiptop Promoters Pvt Ltd with Kamdhenu Ltd;

Part-3 which deals with De-merger of Paint Business of Kamdhenu Ltd into Kamdhenu Colour and Coatings Ltd; issue of shares by Kamdhenu Ventures Ltd to the Shareholders of Kamdhenu Ltd in consideration of the said De-merger; and Re-organisation of pre-Scheme Share Capital of Kamdhenu Ventures Ltd; and

Part-4 which deals with Other General Terms and Conditions applicable to the Scheme.

For Transferor Companies No. 1 to 7

For Transferee Company

For Resulting Companies No. 1 & 2-

Director/Authorised Signatory

PART 1

DEFINITIONS, SHARE CAPITAL AND RATIONALE FOR THE SCHEME

1.1 DEFINITIONS


In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as given below:

- i. **"Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.
- ii. **"Amalgamation"** means amalgamation of the Transferor Companies No. 1 to 7 with and into the Transferee Company in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- iii. **"Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to Companies;
- iv. **"Appointed Date"** for the purpose of this Scheme means commencement of business on 1st April, 2022, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- v. **"Board" or "Board of Directors"** means the Board of Directors of the respective Transferor Companies, the Transferee Company and the Resulting Companies, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).
- vi. **"Demerged Business"** means the Paint Division of Kamdhenu Ltd (the Transferee Company) located at Plot No. E-538 & E-539A, RIICO Industrial Area, Chopanki, Bhiwadi-301 017, District Alwar, Rajasthan, which is proposed to be De-merged into Kamdhenu Colour and Coatings Ltd (the Resulting Company No. 2) and includes the business/undertaking comprising of:
 - a. Manufacturing, marketing and otherwise dealing in all types of paints including interior, exterior, emulsions, textures, designer paints and all varieties of paints and other related activities being carried on by Kamdhenu Ltd from its manufacturing facilities situated at Plot No. E-538 & E-539A, RIICO Industrial Area, Chopanki, Bhiwadi-301 017, District Alwar in the State of Rajasthan (Paint Division).
 - b. Land at Plot No. E-538 & E-539A, RIICO Industrial Area, Chopanki, Bhiwadi-301 017, District Alwar, Rajasthan and building thereon and all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of Paint Division (the Demerged Business) of Kamdhenu Ltd wherever situated pertaining thereto.

For Transferor Companies No. 1 to 7



For Transferee Company



Director/Authorised Signatory

For Resulting Companies No. 1 & 2-



Director/Authorised Signatory

- c. All present and future liabilities (including contingent liabilities) arising out of the activities or operations of the Demerged Business, including loans, debts, current liabilities and provisions, duties and obligations relating to the Demerged Business.
- d. Without prejudice to the generality of the above, Demerged Business shall include in particular.
 - i. Land and building, plant and machinery and all other properties and assets of the Demerged Business wherever situated;
 - ii. All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, the benefits of all contracts including all customer contracts, agreements, vendor codes, approved tenders, past experience and credentials, business track record, and all other rights including leasehold rights if any, goodwill, intellectual property rights including entire class 2 of Trade Mark at 99 along with copy right, design, patent, etc., investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for the Demerged Business, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Business; and all other fiscal and non fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed De-merger;
 - iii. All records, files, papers, computer programs, manuals, data and other records, whether in physical form or electronic form in connection with or relating to the Demerged Business;
 - iv. All duties and obligations, which are relating to the Demerged Business;
 - v. All advance money, earnest moneys and/or security deposits, bank guarantee, if any, paid or received by the Transferee Company in connection with or relating to the Demerged Business;
 - vi. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property including but not limited to all intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferee Company with regard to the Demerged Business, but shall not include any assets or liabilities relating to the Remaining Business of the Transferee Company.
- e. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Business include:
 - i. The liabilities, which arise out of the activities or operations of the Demerged Business;
 - ii. Specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Demerged Business;


For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

- f. All employees of the Transferee Company employed in the Demerged Business, as identified by the Board of Directors of the Transferee Company, as on the Effective Date;
- g. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Business or whether it arises out of the activities or operations of the Demerged Business shall be decided by the Board of Directors of the Transferee Company.

Proforma Balance Sheet of the Paint Division Business of the Transferee Company is set out in Schedule-1.

- vii. **"De-merger"** means transfer and vesting of the Demerged Business of the Transferee Company, as a going-concern, by way of demerger into the Resulting Company No. 2; and issue of shares by Kamdhenu Ventures Ltd (the Resulting Company No. 1) to the Shareholders of the Transferee Company in consideration of the said de-merger, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- viii. **"Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs.
- ix. **"Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (iii) any adverse claim as to title, possession or use.
- x. **"FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- xi. **"Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company, or in the nature of common law rights of the Transferor Company, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

- xii. **"IT Act"** means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- xiii. **National Company Law Tribunal** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal has been referred to as the Tribunal/NCLT.
- xiv. **"Record Date"** means the date(s) to be fixed by the Board of Directors of the Transferor Companies, the Transferee Company or the Resulting Company No. 1, as the case may be, with reference to which (a) the eligibility of the shareholders of the Transferor Companies shall be determined for allotment of shares in the Transferee Company on amalgamation; (b) the eligibility of the shareholders of Transferee Company shall be determined for allotment of shares in the Resulting Company No. 1 on de-merger; and (c) status of the shareholders of the Resulting Company No. 1 shall be determined for re-organisation of share capital of the Resulting Company No. 1; and other connected matters, if any.
- xv. **"Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.
- xvi. **"Remaining Business of the Transferee Company"** means all assets and liabilities including immovable property, undertakings, businesses, activities, operations and intellectual property rights of the Transferee Company other than the Demerged Business.
- xvii. **Re-organisation of Share Capital** means Re-organisation of pre-Scheme Share Capital of Kamdhenu Ventures Ltd (the Resulting Company No. 1) whereby the entire pre-Scheme issued and paid up share capital of the Resulting Company No. 1 which consists of 30,400 Equity Shares of ₹10 each aggregating ₹3,04,000, will be cancelled and equal number of 9% Compulsorily Redeemable Preference Shares will be created in place of such cancelled equity share capital.
- xviii. **"Resulting Company No. 1"** means **Kamdhenu Ventures Ltd** being a company incorporated under the provisions of the Companies Act, 2013, and having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail id: kamdhenu@kamdhenulimited.com.

The Resulting Company No. 1-Kamdhenu Ventures Ltd [Corporate Identification No. (CIN): U 51909 HR 2019 PLC 089207; Income Tax Permanent Account No. (PAN): AAH CK 8421 D] (hereinafter referred to as "the Resulting Company No. 1/the Company") was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 19th October, 2019, issued by the Registrar of Companies, Rajasthan, Jaipur.

Registered Office of the Company was shifted from the State of Rajasthan to the State of Haryana as approved by the Hon'ble Regional Director, North Western Region, Ministry of Corporate Affairs, Ahmedabad, vide Order dated 18th August, 2020. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

- xix. **"Resulting Company No. 2"** means **Kamdhenu Colour and Coatings Ltd** being a company incorporated under the provisions of the Companies Act, 2013, and having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail id: kamdhenu@kamdhenulimited.com.

The Resulting Company No. 2-Kamdhenu Colour and Coatings Ltd [Corporate Identification No. (CIN): U 36990 HR 2019 PLC 089197; Income Tax Permanent Account No. (PAN): AAH CK 8804 E] (hereinafter referred to as "the Resulting Company No. 2/the Company") was incorporated under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation dated 16th November, 2019, issued by the Registrar of Companies, Rajasthan, Jaipur.

Registered Office of the Company was shifted from the State of Rajasthan to the State of Haryana as approved by the Hon'ble Regional Director, North Western Region, Ministry of Corporate Affairs, Ahmedabad, vide Order dated 17th August, 2020. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company.

- xx. **"Resulting Companies"** mean Kamdhenu Ventures Ltd and Kamdhenu Colour and Coatings Ltd, collectively or any one or both of them as the context requires.
- xxi. **"Scheme"** means the present Scheme of Arrangement framed under the provisions of sections 230, 232 and 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, sections 2(1B), 2(19AA) and 2(41A) of the Income Tax Act, 1961, and other applicable provisions, if any, where under (a) Kamdhenu Concast Ltd, Kamdhenu Overseas Ltd, Kamdhenu Paint Industries Ltd, Kamdhenu Infradevelopers Ltd, Kamdhenu Nutrients Pvt Ltd, Kay2 Steel Ltd and Tiptop Promoters Pvt Ltd are proposed to be amalgamated with Kamdhenu Ltd; (b) the Paint Business of Kamdhenu Ltd is proposed to be de-merged into Kamdhenu Colour and Coatings Ltd; and (c) pre-Scheme Share Capital of Kamdhenu Ventures Ltd is proposed to be re-organised, in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by the Board of Directors of these Companies.
- xxii. **"Transferor Company No. 1"** means **Kamdhenu Concast Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail id: kamdhenu@kamdhenulimited.com.

The Transferor Company No. 1-Kamdhenu Concast Ltd [Corporate Identification No. (CIN): U 27106 HR 2006 PLC 090062; Income Tax Permanent Account No. (PAN): AAD CK 1249 D] (hereinafter referred to as "the Transferor Company No. 1/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company vide Certificate of Incorporation dated 21st February, 2006, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company was issued Certificate for Commencement of Business dated 21st September, 2006, by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

Registered Office of the Company was shifted from the NCT of Delhi to the State of Haryana as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 12th

For Transferor Companies No. 1 to 7

For Transferee Company

For Resulting Companies No. 1 & 2.

Director/Authorised Officer

March, 2020. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company.

- xxiii. "Transferor Company No. 2"** means **Kamdhenu Overseas Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail id: kamdhenu@kamdhenulimited.com.

The Transferor Company No. 2-Kamdhenu Overseas Ltd [Corporate Identification No. (CIN): U 00000 HR 2002 PLC 092008; Income Tax Permanent Account No. (PAN): AAC CK 0076 B] (hereinafter referred to as "the Transferor Company No. 2/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Kamdhenu Overseas Pvt Ltd' vide Certificate of Incorporation dated 5th December, 2002, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company was converted into a public limited company and name of the Company was changed to 'Kamdhenu Overseas Ltd' vide Fresh Certificate of Incorporation dated 22nd September, 2007, issued by the Registrar of Companies, New Delhi.

Registered Office of the Company was shifted from the NCT of Delhi to the State of Haryana as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 3rd July, 2020. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company.

- xxiv. "Transferor Company No. 3"** means **Kamdhenu Paint Industries Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail id: kamdhenu@kamdhenulimited.com.

The Transferor Company No. 3-Kamdhenu Paint Industries Ltd [Corporate Identification No. (CIN): U 24222 HR 2005 PLC 090064; Income Tax Permanent Account No. (PAN): AAC CK 7438 H] (hereinafter referred to as "the Transferor Company No. 3/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'Kamdhenu Cement Industries Ltd' vide Certificate of Incorporation dated 30th September, 2005, issued by the Registrar of Companies, Uttar Pradesh, Kanpur. The Company was issued Certificate for Commencement of Business dated 14th December, 2005, by the ROC, Uttar Pradesh, Kanpur. Registered Office of the Company was shifted from the State of Uttar Pradesh to the NCT of Delhi as approved by the Hon'ble Company Law Board, New Delhi Bench, New Delhi vide Order dated 13th April, 2010. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi registered the aforesaid order and allotted a new CIN to the Company. Name of the Company was changed to 'Kamdhenu Paint Industries Ltd' vide Fresh Certificate of Incorporation dated 18th March, 2011, issued by the Registrar of Companies, New Delhi.

Registered Office of the Company was shifted from the NCT of Delhi to the State of Haryana as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 12th March, 2020. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company.

- xxv. "Transferor Company No. 4"** means **Kamdhenu Infradevelopers Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 2nd Floor, Tower A, Building No. 9,

For Transferor Companies No. 1 to 7



For Transferee Company



For Resulting Companies No. 1 & 2-



Director/Authorised Signatory

DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail id: kamdhenulimited.com.

The Transferor Company No. 4-Kamdhenу Infradevelopers Ltd [Corporate Identification No. (CIN): U 70109 HR 2006 PLC 090166; Income Tax Permanent Account No. (PAN): AAD CK 5928 M] (hereinafter referred to as "the Transferor Company No. 4/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company vide Certificate of Incorporation dated 20th July, 2006, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company was issued Certificate for Commencement of Business dated 4th August, 2008, by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

Registered Office of the Company was shifted from the NCT of Delhi to the State of Haryana as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 18th March, 2020. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company.

xxvi. "Transferor Company No. 5" means **Kamdhenу Nutrients Pvt Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail id: kamdhenulimited.com.

The Transferor Company No. 5-Kamdhenу Nutrients Pvt Ltd [Corporate Identification No. (CIN): U 15494 HR 2009 PTC 039305; Income Tax Permanent Account No. (PAN): AAD CK 8232 A] (hereinafter referred to as "the Transferor Company No. 5/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation dated 16th July, 2009, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

xxvii. "Transferor Company No. 6" means **Kay2 Steel Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail id: kamdhenulimited.com.

The Transferor Company No. 6-Kay2 Steel Ltd [Corporate Identification No. (CIN): U 51420 HR 2008 PLC 090167; Income Tax Permanent Account No. (PAN): AAF CP 3070 R] (hereinafter referred to as "the Transferor Company No. 6/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'Prime Gold Industries Ltd' vide Certificate of Incorporation dated 22nd July, 2008, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company was issued Certificate for Commencement of Business dated 22nd April, 2009, by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. Name of the Company was changed to 'Kamdhenу Metallic Industries Ltd' vide Fresh Certificate of Incorporation dated 18th March, 2011, issued by the Registrar of Companies, New Delhi. Name of the Company was changed to its present name-'Kay2 Steel Ltd' vide Fresh Certificate of Incorporation dated 13th March, 2013, issued by the Registrar of Companies, New Delhi.

Registered Office of the Company was shifted from the NCT of Delhi to the State of Haryana as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 12th March, 2020. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company



For Resulting Companies No. 1 & 2-



Director/Authorised Signatory

xxviii. "Transferor Company No. 7" means **Tiptop Promoters Pvt Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail: tiptoppromoters.roc@gmail.com.

The Transferor Company No. 7-Tiptop Promoters Pvt Ltd [Corporate Identification No. (CIN): U 70101 HR 1999 PTC 093553; Income Tax Permanent Account No. (PAN): AAB CT 7943 H] (hereinafter referred to as "the Transferor Company No. 7/the Company") was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation dated 8th July, 1999, issued by the Registrar of Companies, West Bengal, Kolkata.

Registered Office of the Company was shifted from the State of West Bengal to the State of Haryana as approved by the Hon'ble Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata, vide Order dated 21st January, 2021. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company.

xxix. "Transferor Companies" mean Kamdhenu Concast Ltd, Kamdhenu Overseas Ltd, Kamdhenu Paint Industries Ltd, Kamdhenu Infradevelopers Ltd, Kamdhenu Nutrients Pvt Ltd, Kay2 Steel Ltd and Tiptop Promoters Pvt Ltd, collectively or any one or more of them as the context requires.

xxx. "Transferee Company" means **Kamdhenu Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana; E-mail id: kamdhenu@kamdhenulimited.com; Web-site: www.kamdhenuLtd.com.

The Transferee Company-Kamdhenu Ltd [Corporate Identification No. (CIN): L 27101 HR 1994 PLC 092205; Income Tax Permanent Account No. (PAN): AAA CK 7155 M] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'Kamdhenu Ispat Ltd' vide Certificate of Incorporation dated 12th September, 1994, issued by the Registrar of Companies, Rajasthan, Jaipur. The Company was issued Certificate for Commencement of Business dated 29th December, 1994 by the ROC, Rajasthan, Jaipur. Registered Office of the Company was shifted from the State of Rajasthan to the NCT of Delhi as approved by the Hon'ble Company Law Board, Northern Region Bench, New Delhi, vide Order dated 2nd March, 2005. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi registered the aforesaid order and allotted a new CIN to the Company. Name of the Company was changed to 'Kamdhenu Ltd' vide Fresh Certificate of Incorporation dated 27th January, 2016, issued by the Registrar of Companies, New Delhi. Registered Office of the Company was shifted from the NCT of Delhi to the State of Rajasthan as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 27th August, 2019. The Registrar of Companies, Rajasthan, Jaipur registered the aforesaid order and allotted a new CIN to the Company.

Registered Office of the Company was shifted from the State of Rajasthan to the State of Haryana as approved by the Hon'ble Regional Director, North Western Region, Ministry of Corporate Affairs, Ahmedabad, vide Order dated 27th August, 2020. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company.

For Resulting Companies No. 1 & 2-

For Transferor Companies No. 1 to 7

Director/Authorised Signatory

For Transferee Company

Director/Authorised Signatory

Director/Authorised Signatory

It is clarified that for the purpose of the proposed De-merger of Paint Business of Kamdhenu Ltd into Kamdhenu Colour and Coatings Ltd, the Transferee Company-Kamdhenu Ltd is the Demerged Company. However, for the sake of clarity, Kamdhenu Ltd has been referred to as the Transferee Company in the entire Scheme and other documents.

1.2 INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

- a. references to "persons" shall include individuals, bodies corporate (wherever incorporated), un-incorporated entities, associations, partnerships and proprietorship;
- b. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- c. the term "Clause" refers to the specified clause of this Scheme;
- d. references to one gender includes all genders;
- e. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- f. words denoting singular shall include the plural and vice versa;
- g. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.
- h. unless otherwise defined, the reference to the word "days" shall mean calendar days; and
- i. references to dates and times shall be construed to be references to Indian dates and times.

1.3 SHARE CAPITAL

- i. The present Authorised Share Capital of the Transferor Company No. 1 is ₹1,00,00,000 divided into 10,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹67,90,000 divided into 6,79,000 Equity Shares of ₹10 each.
- ii. The present Authorised Share Capital of the Transferor Company No. 2 is ₹1,00,00,000 divided into 10,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹82,50,000 divided into 8,25,000 Equity Shares of ₹10 each.
- iii. The present Authorised Share Capital of the Transferor Company No. 3 is ₹1,00,00,000 divided into 10,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹32,15,000 divided into 3,21,500 Equity Shares of ₹10 each.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

- iv.** The present Authorised Share Capital of the Transferor Company No. 4 is ₹20,00,000 divided into 2,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹15,00,000 divided into 1,50,000 Equity Shares of ₹10 each.
- v.** The present Authorised Share Capital of the Transferor Company No. 5 is ₹20,00,000 divided into 2,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹11,00,000 divided into 1,10,000 Equity Shares of ₹10 each.
- vi.** The present Authorised Share Capital of the Transferor Company No. 6 is ₹1,00,00,000 divided into 10,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹14,50,000 divided into 1,45,000 Equity Shares of ₹10 each.
- vii.** The present Authorised Share Capital of the Transferor Company No. 7 is ₹40,00,000 divided into 4,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹39,17,000 divided into 3,91,700 Equity Shares of ₹10 each.
- viii.** The present Authorised Share Capital of the Transferee Company is ₹30,00,00,000 divided into 3,00,00,000 Equity Shares of ₹10 each. The present Issued, Subscribed and Paid-up Capital of the Company is ₹26,93,55,000 divided into 2,69,35,500 Equity Shares of ₹10 each.

The Transferee Company has framed a stock option scheme for its employees named as 'Kamdhenu Employees Stock Option Scheme, 2017' (ESOS). Under the aforesaid ESOS, upon vesting, employees of the Transferee Company would have an option (ESOS Option) to acquire equity shares of the Transferee Company. The issued, subscribed and paid-up share capital of the Transferee Company will change upon vesting and exercise of the Option under the aforesaid ESOS. It is however, clarified that such change in the issued and paid up share capital of the Transferee Company will not have any impact on the share exchange ratio as explained in the Report on Valuation of Shares and Share Exchange Ratio.

- ix.** The present Authorised Share Capital of the Resulting Company No. 1 is ₹5,00,000 divided into 50,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹3,04,000 divided into 30,400 Equity Shares of ₹10 each. The Resulting Company No. 1 is a wholly owned subsidiary of the Transferee Company. Entire share capital of the Resulting Company No. 1 is held by the Transferee Company and its nominee shareholders.
- x.** The present Authorised Share Capital of the Resulting Company No. 2 is ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹3,04,000 divided into 30,400 Equity Shares of ₹10 each. The Resulting Company No. 2 is a Wholly Owned Subsidiary of the Resulting Company No. 1. Entire Share Capital of the Resulting Company No. 2 is held by the Resulting Company No. 1 and its nominee shareholders.
- xi.** The Transferor Companies No. 1 to 7 are closely held un-listed companies. The Transferee Company is a public limited listed company. Equity Shares of the Transferee Company are listed on BSE Limited (Bombay Stock Exchange/BSE) and National Stock Exchange of India Limited (NSE). The Resulting Company No. 1 is a wholly owned subsidiary of the Transferee Company. Whereas the Resulting Company No. 2 is a wholly owned subsidiary of the Resulting Company No. 1. All the Companies in the Scheme are under common management and

For Transferor Companies No. 1 to 7



For Transferee Company



Director/Authorised Signatory

For Resulting Companies No. 1 & 2-



Director/Authorised Signatory

control. The Scheme of Arrangement will not result in change in management of any of these Companies.

- xii. Save as otherwise provided in this Scheme, there will be no change in the issued and paid-up share capital of any of the Transferor Companies and the Resulting Companies till the record date. Further, there will be no change in the shareholding pattern or control in Kamdhenu Ventures Ltd (the Resulting Company No. 1) between the record date and the listing which may affect the status of the approval of the Stock Exchanges and other competent authorities.

1.4 RATIONALE AND BENEFITS OF THE SCHEME

1.4.1 The circumstances which justify and/or necessitate the proposed Amalgamation of Kamdhenu Concast Ltd, Kamdhenu Overseas Ltd, Kamdhenu Paint Industries Ltd, Kamdhenu Infradevelopers Ltd, Kamdhenu Nutrients Pvt Ltd, Kay2 Steel Ltd and Tiptop Promoters Pvt Ltd with Kamdhenu Ltd are, inter alia, as follows:

- i. All the Transferor Companies and the Transferee Company are under common management and control. The proposed amalgamation of the Transferor Companies with the Transferee Company would result in business synergy, consolidation and pooling of their resources.
- ii. The Transferee Company is, presently, engaged in manufacturing, branding, marketing and distribution of **KAMDHENU** brand products like Steel TMT bars, decorative paints and allied products. On De-merger of Paint Business of Kamdhenu Ltd into Kamdhenu Colour and Coatings Ltd, the Transferee Company will be engaged in the manufacturing, branding, marketing and distribution of **KAMDHENU** brand products like Steel TMT bars and allied products. On the other hand, the Transferor Companies are engaged in marketing and trading of steel and allied products, agency business and various other activities. The Transferor Companies have also made investments in securities (including investment in Kamdhenu Ltd).
- iii. The proposed amalgamation will simplify and streamline the shareholding structure of the Transferee Company. The Scheme will enable to remove multiple layers of the holding companies in tune with the Government policy.
- iv. The proposed Amalgamation would result in consolidation of various Group Companies and pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity. It would be advantageous to combine the activities and operations of all these Companies in a single entity.
- v. The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferor Companies and the Transferee Company.

1.4.2 The circumstances which justify and/or necessitate the proposed De-merger of Paint Business of Kamdhenu Ltd into Kamdhenu Colour and Coatings Ltd are, inter alia, as follows:

- i. The Transferee Company-Kamdhenu Ltd being the Flagship Company of the Kamdhenu Group is engaged in manufacturing,

For Transferor Companies No. 1 to 7

Alida

For Transferee Company

K Chew

Director/Authorised Signatory

For Resulting Companies No. 1 & 2-

K Chew

Director/Authorised Signatory


branding, marketing and distribution of **KAMDHENU** brand products like Steel TMT bars, decorative paints and allied products. Thus, the Transferee Company has two distinct business segments-Steel Division and Paint Division.

- ii. Steel and Paint Business have substantially different character. Both the business segments require sharper focus and management bandwidth for growth; which is not possible as a single entity. In relation to future fund raise, there are separate set of investors for each of the businesses. The valuation and investment parameters are also different for each of these businesses.
- iii. Tremendous operational efficiencies will be achieved by operating these two businesses as independent entities.
- iv. Given the distinct nature of Steel and Paint Businesses, it is proposed to hive-off the Paint Division from the Transferee Company into the Resulting Company No. 2-Kamdhenu Colour and Coatings Ltd.
- v. The proposed de-merger will enable the Transferee Company and the Resulting Companies to raise necessary funds, invite strategic investors, employ specialized manpower, etc., for the respective businesses.
- vi. It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
- vii. The proposed de-merger will provide scope for independent expansion of these businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their respective businesses.

1.4.3 The circumstances which justify and/or necessitate the proposed Re-organisation of pre-Scheme Share Capital of Kamdhenu Ventures Ltd are, inter alia, as follows:

- i. Present issued and paid up share capital of the Resulting Company No. 1 is ₹3,04,000 divided into 30,400 Equity Shares of ₹10 each, which is held entirely by the Transferee Company. In terms of the provisions of this Scheme, the Resulting Company No. 1 will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company No. 1 will have 100% mirror Equity Shareholding as that of the Transferee Company. In other words, post de-merger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company No. 1 as they are holding in the Transferee Company as on the record date.
- ii. Accordingly, upon the Scheme becoming effective, the pre-Scheme issued and paid up share capital of the Resulting Company No. 1 equivalent number of (9% non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid-up, will be created in place of such cancelled equity share capital.
- iii. It is clarified that the aforesaid re-organisation of Share Capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company



For Resulting Companies No. 1 & 2.


Director/Authorised Signatory

paid-up share capital. The Company is not proposing any buy-back of shares from its shareholders.

- iv.** It is further clarified that no creditor of the Company will be adversely affected by the proposed re-organisation of share capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

1.4.4 The proposed Scheme of Arrangement will have beneficial impact on the Transferor Companies, the Transferee Company and the Resulting Companies, their shareholders, employees and other stakeholders and all concerned.

1.4.5 The Scheme of Arrangement is proposed for the aforesaid reasons. The Board of Directors and Management of the Transferor Companies, the Transferee Company and the Resulting Companies are of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2


Director/Authorised Signatory

PART-2

AMALGAMATION OF KAMDHENU CONCAST LTD, KAMDHENU OVERSEAS LTD, KAMDHENU PAINT INDUSTRIES LTD, KAMDHENU INFRADEVELOPERS LTD, KAMDHENU NUTRIENTS PVT LTD, KAY2 STEEL LTD AND TIPTOP PROMOTERS PVT LTD WITH KAMDHENU LTD

2.1 TRANSFER AND VESTING OF UNDERTAKING(S)

- 2.1.1 On the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertakings and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Companies (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Companies therein so as to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Companies without such charges in any way extending to the undertaking of the Transferee Company.
- 2.1.2 Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the appointed date, by the Transferor Companies to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- 2.1.3 On and from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Companies whether provided for in the books of accounts of the Transferor Companies or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- 2.1.4 Similarly, on and from the Appointed Date, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Input Tax Credit under Goods and Services Tax (GST) or any other available input credit, etc., paid by or on behalf of the Transferor Companies immediately

For Transferor Companies No. 1 to 7



For Transferee Company



Director/Authorised Signatory

For Resulting Companies No. 1 & 2



Director/Authorised Signatory

before the amalgamation, shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Companies from the Appointed Date, regardless of the period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.

- 2.1.5 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Companies, shall be available to and vest in the Transferee Company, without any further act or deed.
- 2.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 2.1.7 On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Companies, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- 2.1.8 On the Scheme becoming effective, the Transferee Company, if so required, shall be entitled to maintain one Bank Account each in the name of the respective Transferor Companies to enable it to deposit/encash any refund or other payment received in the name of the respective Transferor Companies. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account (in the name of the Transferor Companies) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the respective Transferor Companies. Such bank account will not be used for normal banking transactions.
- 2.1.9 All other assets & liabilities of the Transferor Companies, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.
- 2.1.10 In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.
- 2.1.11 All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Companies shall, upon the approval of this Scheme, be deemed to have been made with by the Transferee Company.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

- 2.1.12 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 2.1.13 Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Companies due to Transferor Companies consequent to the assessment(s) and other proceeding(s) made on the Transferor Companies and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

2.2 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 2.2.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Companies are a party, subsisting or having effect immediately before or after the Effective date, shall remain 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 Companies, the Transferee Company had been a party thereto.
- 2.2.2 The transfer of the said assets and liabilities of the Transferor Companies to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Companies on or after the Appointed Date.
- 2.2.3 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and, to implement and carry out all such formalities or compliance referred to above on the part/benefit of the Transferor Companies to be carried out or performed.

2.3 LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Companies pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Companies or of anything

For Transferor Companies No. 1 to 7


Alidn

For Transferee Company


K Chew

Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


K Chew

Director/Authorised Signatory

contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made.

2.4 DISSOLUTION OF TRANSFEROR COMPANIES

On this Scheme becoming effective, the Transferor Companies shall stand dissolved without the process of winding up.

2.5 EMPLOYEES OF TRANSFEROR COMPANIES

2.5.1 All the employees of the Transferor Companies in service on the date immediately preceding the date on which the Scheme finally takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the concerned Transferor Company on the said date.

2.5.2 Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Companies, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees, if any, of the Transferor Companies will be treated as having been continued for the purpose of the aforesaid funds or provisions.

2.6 CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES

From the Appointed Date until the Effective Date, the Transferor Companies

- a. Shall stand possessed of all the assets and properties referred to in Clause 2.1 above, in trust for the Transferee Company.
- b. Shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Companies and all costs, charges and expenses or loss arising or incurring by the Transferor Companies on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.

2.7 ISSUE OF SHARES BY TRANSFEE COMPANY

2.7.1 Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Companies to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Companies, whose names appear in the Register of Members as on the Record Date, in the following ratio:

For Transferor Companies No. 1 to 7

Widya

For Transferee Company

Kheue

Director/Authorised Signatory

For Resulting Companies No. 1 & 2-

Kheue

Director/Authorised Signatory

- a. The Transferee Company-Kamdhenu Ltd will issue 2,351 Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 1- Kamdhenu Concast Ltd.
- b. The Transferee Company-Kamdhenu Ltd will issue 3,697 Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 2- Kamdhenu Overseas Ltd.
- c. The Transferee Company-Kamdhenu Ltd will issue 4,887 Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 3- Kamdhenu Paint Industries Ltd.
- d. The Transferee Company-Kamdhenu Ltd will issue 4,281 Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 4- Kamdhenu Infradevelopers Ltd.
- e. The Transferee Company-Kamdhenu Ltd will issue 5,454 Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 5- Kamdhenu Nutrients Pvt Ltd.
- f. The Transferee Company-Kamdhenu Ltd will issue 4,062 Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 6- Kay2 Steel Ltd.
- g. The Transferee Company-Kamdhenu Ltd will issue 2,910 Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 7- Tiptop Promoters Pvt Ltd.

2.7.2 Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number. However, total number of new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Companies will be equal to the aggregate number of Equity Shares of the Transferee Company held by the Transferor Companies No. 1 to 7 as on the record date.

2.7.3 In addition to the aforesaid Equity Shares, the Transferee Company-Kamdhenu Ltd will also issue 9% Non-cumulative Compulsorily Redeemable Preference Shares to the Shareholders of the Transferor Companies in the following share exchange ratio:

- a. The Transferee Company-Kamdhenu Ltd will issue 5,988 (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 1-Kamdhenu Concast Ltd.
- b. The Transferee Company-Kamdhenu Ltd will issue 6,638 (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 2-Kamdhenu Overseas Ltd.
- c. The Transferee Company-Kamdhenu Ltd will issue 3,398 (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10

For Transferor Companies No. 1 to 7

Nidhi

For Transferee Company

Kheun

Director/Authorised Signatory

For Resulting Companies No. 1 & 2-

Kheun

Director/Authorised Signatory

each held in the Transferor Company No. 3-Kamdhenu Paint Industries Ltd.

- d. The Transferee Company-Kamdhenu Ltd will issue 1,875 (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 4-Kamdhenu Infradevelopers Ltd.
- e. The Transferee Company-Kamdhenu Ltd will issue 1,611 (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 5-Kamdhenu Nutrients Pvt Ltd.
- f. The Transferee Company-Kamdhenu Ltd will issue 2,082 (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 6-Kay2 Steel Ltd.
- g. The Transferee Company-Kamdhenu Ltd will issue 14,375 (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid up, for every 1,000 Equity Shares of ₹10 each held in the Transferor Company No. 7-Tiptop Promoters Pvt Ltd.

- 2.7.4 Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.
- 2.7.5 New Equity and Preference Shares to be issued in terms of the aforesaid Clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.
- 2.7.6 Compulsorily Redeemable Preference Shares to be issued will carry a coupon rate of 9% per annum. 9% non-cumulative Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a call option available to the Issuer Company for early redemption.
- 2.7.7 New Preference Shares to be issued in terms of Clause 2.7.3 above, on amalgamation, will be reduced as provided under Clause 3.9.3 of this Scheme on issue of Preference Shares in the Resulting Company No. 1, on de-merger. It is, accordingly, clarified that issue of new Preference Shares in the Transferee Company as per Clause 2.7.3 and reduction of the same as per Clause 3.9.3 will be given effect to simultaneously. Shareholders of the Transferor Companies No. 1 to 7 will be allotted new Preference Shares in the Transferee Company and the Resulting Company No. 1 in terms of Clause 3.9.2 and Clause 3.9.3, respectively, of the Scheme against their consolidated entitlement for preference shares on amalgamation and de-merger.
- 2.7.8 The issue and allotment of new Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares in terms of this Scheme.

For Transferor Companies No. 1 to 7

Mishra

For Transferee Company

K Chawla

Director/Authorised Signatory

For Resulting Companies No. 1 & 2-

K Chawla

Director/Authorised Signatory

2.7.9 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Companies.

2.7.10 In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Companies, pursuant to this Scheme, shall be listed on BSE and NSE being the Stock Exchanges on which the Equity Shares of the Transferee Company are presently listed. The Transferee Company will make necessary application(s) to these Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchanges and the SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Transferee Company.

It is clarified that (9% Non-cumulative) Compulsorily Redeemable Preference Shares to be issued by the Transferee Company will not be listed on BSE/NSE.

2.7.11 In case any Promoters' holding in the Transferee Company and/or new Shares to be issued in the Transferee Company in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), the SEBI or any other competent authority, pursuant to the provisions of the Listing Agreement and SEBI Regulations, etc., such locked-in shares may be transferred within the Promoters' Group during such lock-in period.


2.7.12 Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchange(s). The Transferee Company will comply with the applicable provisions in this regard.

2.8 UPON THIS SCHEME BECOMING EFFECTIVE:

2.8.1 Entire Issued Share Capital and share certificates of the Transferor Companies shall automatically stand cancelled. Shareholders of the Transferor Companies will not be required to surrender the Share Certificates held in the Transferor Companies.

2.8.2 Cross holding of shares between the Transferor Companies; and between the Transferor Companies and the Transferee Company, on the record date, as the case may be, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor Companies and the Transferee Company, as the case may be, and sanction by the Tribunal under section 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of sections 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. However, such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.

For Transferor Companies No. 1 to 7



For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

- 2.8.3 The authorised share capital of the Transferor Companies shall be added to and shall form part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company shall stand increased to the extent of the aggregate authorised share capital of the Transferor Companies as on the effective date. In terms of the provisions of section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Companies on their respective authorised capital shall be set-off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Companies on their respective pre-merger authorised share capital.

Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company shall stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Arrangement by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

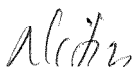
2.9 ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the Scheme becoming effective, amalgamation of the Transferor Companies with the Transferee Company will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

The Transferee Company shall give effect of the Scheme in its books of accounts in accordance with accounting prescribed under "pooling of interest" method in the Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015. Following are the salient features of the accounting treatment to be given:

- a. All the assets and liabilities recorded in the books of the Transferor Companies shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Companies as on the Appointed Date.
- b. Cross investments or other inter-company balances, if any, will stand cancelled.
- c. All the reserves of the Transferor Companies under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.
- d. Any deficit arising out of amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against capital reserves, if any, in the books of the Transferee Company and the balance will be adjusted in other available

For Transferor Companies No. 1 to 7



For Transferee Company



Director/Authorised Signatory

For Resulting Companies No. 1 & 2-



Director/Authorised Signatory

reserves. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.

- e. Accounting policies of the Transferor Companies will be harmonized with that of the Transferee Company following the amalgamation.
- f. It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present amalgamation and other connected matters in such manner as to comply with the provisions of section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

2.10 COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

PART 3

DE-MERGER OF PAINT BUSINESS OF KAMDHENU LTD INTO KAMDHENU COLOUR AND COATINGS LTD

3.1 TRANSFER AND VESTING OF DEMERGED UNDERTAKING


On the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, Demerged Business of the Transferee Company, as defined in 'Clause 1.1 vi' above shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company No. 2, as a going concern, in the following manner;

- 3.1.1** The whole of the undertaking and properties of Demerged Business of the Transferee Company shall, without any further act or deed or without payment of any duty, stamp duty, or other charges, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company No. 2, pursuant to the provisions contained in sections 230 and 232 of the Companies Act, 2013, and all other applicable provisions, if any, and so as to vest in the Resulting Company No. 2, for all rights, title and interest pertaining to the Demerged Business of the Transferee Company.
- 3.1.2** All debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Transferee Company relating to the Demerged Business shall also, under the provisions of Sections 230 and 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company No. 2, so as to become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company No. 2, and 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, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 3.1.3** All licenses, permissions, approval, consents or NOCs given by various government and other competent authorities to the Transferee Company in relation to the Demerged Business or otherwise held by the Transferee Company to implement/carry on the Demerged Business shall stand vested in or transferred to the Resulting Company No. 2, without any further act or deed, and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company No. 2. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Resulting Company No. 2, pursuant to the Scheme.
- 3.1.4** The transfer and vesting of the Demerged Business, as aforesaid, shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof pertaining to the Demerged Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of Demerged Business.
- 3.1.5** Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, the Transferee Company and Resulting Company No. 2 will file requisite form(s) with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.

For Resulting Companies No. 1 & 2-

For Transferor Companies No. 1 to 7

For Transferee Company



Director/Authorised Signatory

- 3.1.6** For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities, powers of attorneys given by, issued to or executed in favour of Demerged Business and the rights and benefits under the same and all other interests of the Demerged Business, be without any further act or deed, be transferred to and vested in the Resulting Company No. 2.
- 3.1.7** Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/ or indirect, payable by or on behalf of the Demerged Business of the Transferee Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refunds or claims (including refunds or claims pending with the Revenue Authorities), shall, for all purposes, be treated as the tax/ cess/ duty, liability, advance tax payment, tax deducted at source, refund or claim, as the case may be, of the Resulting Company No. 2. The Resulting Company No. 2 is expressly permitted to claim refunds/ credits in respect of any transaction between the Demerged Business of the Transferee Company and the Resulting Company No. 2, if any.
- 3.1.8** Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., relating to Demerged Business to which the Transferee Company is entitled to shall be available to and vest in the Resulting Company No. 2, without any further act or deed.
- 3.1.9** Upon this Scheme becoming effective, the Transferee Company and the Resulting Company No. 2 shall be entitled to file/revise income tax returns, TDS returns, TDS certificates, sales tax/ value added tax returns, service tax returns, GST returns and other statutory filings and returns for the period commencing on and from the Appointed Date, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, MAT credit, un-availed credits and exemptions, statutory benefits, etc., if any.
- 3.1.10** Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including, without limitation income tax, service tax, GST, excise duty, applicable state value added tax etc.) to which Demerged Business of the Transferee Company is entitled to in terms of applicable laws, shall be available to and vest in the Resulting Company No. 2 from the Appointed Date.

3.2 LEGAL PROCEEDINGS

- 3.2.1** All legal proceedings of whatever nature by or against the Transferee Company pending and/or arising on or after the Appointed Date and relating to the Transferee Company, in relation to the Demerged Business, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company No. 2 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferee Company, in relation to the Demerged Business, as if the Scheme had not been made.
- 3.2.2** The Resulting Company No. 2 undertakes to have all legal or other proceedings initiated by or against the Transferee Company, in relation

to the Demerged Business, referred to in clause 4.3.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company No. 2 to the exclusion of the Transferee Company, in relation to the Demerged Business.

3.2.3 The Resulting Company No. 2 undertakes to indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any acts or omissions of the Transferee Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), relating to, or in pursuance of, or arising from:

- a. the filing, approval and implementation of the actions contemplated in this Scheme, or
- b. All legal proceedings in relation to the Demerged Business whether subsisting on the Appointed Date or arising thereafter.

3.3 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

3.3.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferee Company, in relation to the Demerged Business, is a party, subsisting or having effect on the Effective date, shall remain in full force and effect and shall stand assigned/novated in favour of the Resulting Company No. 2, may be enforced by or against the Resulting Company No. 2 as fully and effectually as if, instead of the Transferee Company, in relation to the Demerged Business, the Resulting Company No. 2 had been a party thereto.

3.3.2 It is expressly clarified that consent of the counterparties shall not be separately required for assignment of such contracts etc., in favour of Resulting Company No. 2.

3.3.3 The Resulting Company No. 2 shall be obligated to fulfill all the obligations and covenants of aforesaid contracts, deeds, bonds, agreements and instruments in relation to the Demerged Business and indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any such contracts etc., whether in relation to any acts or omissions there under committed by the Transferee Company or the Resulting Company No. 2 (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), prior to the Appointed Date or thereafter.

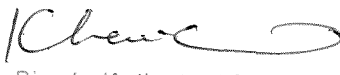
3.3.4 Pursuant to the demerger of the Transferee Company, in case for the purpose of entering into any contract, tenders, bid documents, expression of interest, memorandum of understanding, agreements or any other such instruments, the Resulting Company No. 2 is required to demonstrate experience, track record and credentials of the Transferee Company, then the experience, track record and credentials gained by the Transferee Company in the past prior to demerger in relation to the Demerged Business, would be considered to be

For Transferor Companies No. 1 to 7



Director/Authorised Signatory

For Transferee Company



Director/Authorised Signatory

For Resulting Companies No. 1 & 2.



Director/Authorised Signatory

equivalent as the experience, track record and credentials of the Resulting Company No. 2.

3.4 PERMISSIONS

Any statutory licenses, permissions, approvals or consents to carry on the operations of the Transferee Company, in relation to the Demerged Business, shall stand vested in or transferred to the Resulting Company No. 2 without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Resulting Company No. 2 upon the vesting and transfer of the Undertakings pursuant to this Scheme. The benefit and obligations of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Resulting Company No. 2 pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferee Company, in relation to the Demerged Businesses, are concerned, the same shall vest with and be available to the Resulting Company No. 2 on the same terms and conditions. It is specifically clarified that all the excise concessions, exemptions, benefits in terms of the Central Excise Act, 1944, Notifications, Circulars, Orders, Trade Notices, Guidelines, Clarifications and/or other Communications issued by the any appropriate competent authority; Income Tax holiday including benefits under Chapter VIA of the Income Tax Act, 1961; sales tax exemptions and benefits under the Central Sales Tax Act, 1956, exemptions and credits under the Central Goods and Services Tax Act, 2017 (GST) and other local sales tax laws; and all other fiscal and non fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company No. 2 for the Demerged Business after the proposed De-merger;

3.5 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Business into the Resulting Company No. 2 as above and the continuance of proceedings by or against the Resulting Company No. 2 shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company No. 2 accepts and adopts all acts, deeds and things done and executed by the Transferee Company, in relation to the Demerged Business, in respect thereto as done and executed on behalf of the Resulting Company No. 2.

3.6 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

3.6.1 With effect from the Appointed Date:

- a. The Transferee Company, in relation to the Demerged Business shall carry on and be deemed to have carried on the business and activities and shall possessed of their properties and assets for and in trust of the Resulting Company No. 2 and all the profits/losses accruing, shall for all purposes be treated as profits/losses of the Resulting Company No. 2.
- b. The Transferee Company, in relation to the Demerged Business shall not, without the prior written consent of the Board of Directors of the Resulting Company No. 2 or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any undertaking or any part thereof except in the ordinary course of its business.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

3.7 STAFF, WORKMEN AND EMPLOYEES

- 3.7.1** On the Scheme becoming effective, all staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Resulting Company No. 2 on such date without any break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them with reference to the Transferee Company, in relation to the Demerged Business, on the Effective Date.
- 3.7.2** It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferee Company, in relation to the Demerged Business, in relation to such fund or funds shall become those of the Resulting Company No. 2. It is clarified that the services of the staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, will be treated as having been continuous for the purpose of the aforesaid funds or provisions.
- 3.7.3** The Transferee Company has framed a stock option scheme for its employees. Under the aforesaid ESOS, upon vesting, employees of the Transferee Company would have an option (ESOS Option) to acquire equity shares of the Transferee Company. After the implementation of this Scheme, the Resulting Company No. 2 will frame and implement a separate Employees Stock Option Scheme, inter alia, for the employees who are transferred from the Transferee Company to the Resulting Company No. 2 along with the Demerged Business. Relevant detail of the aforesaid ESOS is given in Clause 2.4 of this Scheme.

3.8 REMAINING BUSINESS OF THE TRANSFEREE COMPANY

Remaining Business of the Transferee Company to continue with Transferee Company

- 3.8.1** The Remaining Business of the Transferee Company and all the assets including immovable property, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferee Company.
- 3.8.2** All legal and other proceedings by or against the Transferee 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 of the Transferee Company (including those relating to any property, right, power, liability, obligation or duty, of the Transferee Company in respect of the Remaining Business of the Transferee Company) shall be continued and enforced by or against the Transferee Company.
- 3.8.3** With effect from the Appointed Date and including the Effective Date:
- a. The Transferee Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the

For Transferor Companies No. 1 to 7

For Transferee Company

For Resulting Companies No. 1 & 2.

Director/Authorised Signatory

Remaining Business of the Transferee Company for and its own behalf;

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

3.9 Issue of Shares by Kamdhenu Ventures Ltd (the Resulting Company No. 1)

3.9.1 Upon the Scheme finally coming into effect and in consideration of demerger and vesting of the Demerged Business of the Transferee Company into the Resulting Company No. 2-Kamdhenu Colour and Coatings Ltd, in terms of this Scheme, the Resulting Company No. 1-Kamdhenu Ventures Ltd, shall, without any further application or deed, issue and allot Equity Share(s), to the Equity Shareholders of the Transferee Company whose names appear in the Register of Members as on the Record Date, in the following ratio:

- a. The Resulting Company No. 1-Kamdhenu Ventures Ltd will issue 1 (one) Equity Share of ₹5 each, credited as fully paid-up, to the shareholders of the Transferee Company for every 1 (one) Equity Share of ₹10 each held in the Transferee Company-Kamdhenu Ltd.

3.9.2 In terms of Clause 2.7.3 of this Scheme, the Transferee Company will issue (9% Non-cumulative) Compulsorily Redeemable Preference Shares to the Shareholders of the Transferor Companies No. 1 to 7, on amalgamation. Accordingly, in consideration of de-merger and vesting of the Demerged Business of the Transferee Company into the Resulting Company No. 2, in terms of this Scheme, the Resulting Company No. 1-Kamdhenu Ventures Ltd will also issue Compulsorily Redeemable Preference Shares to the Preference Shareholders of the Transferee Company in the following share exchange ratio:

- i. The Resulting Company No. 1 will issue 266 (two hundred and sixty-six) (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹ 10 each, credited as fully paid up, to the Preference Shareholders of the Transferee Company for every 1000 (one thousand) (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each held in the Transferee Company-Kamdhenu Ltd, after amalgamation.

Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.

3.9.3 On issue of new Preference Shares by the Resulting Company No. 1, the Transferee Company will reduce the Compulsorily Redeemable Preference Shares (issued on amalgamation in terms of Clause 2.7.3 of this Scheme) in the following manner:

- a. For every 1000 (one thousand) (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each in the Transferee Company after amalgamation; the Transferee Company will issue 734 (seven hundred thirty-four) (9% Non-cumulative) Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid up, in the Transferee Company.

Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.

For Transferor Companies No. 1 to 7


Director

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

- 3.9.4** It is clarified that issue of new Preference Shares in the Transferee Company on amalgamation in terms of Clause 2.7.3 of this Scheme and reduction in number of Preference Shares as given in Clause 3.9.3 above, will be given effect to simultaneously. The Transferee Company will allot new Preference Shares as reduced in terms of Clause 3.9.3 above to the Shareholders of the Transferor Companies No. 1 to 7.
- 3.9.5** New Equity and Preference Shares to be issued by the Resulting Company No. 1 in terms of Clause 3.9.1 and 3.9.2 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company No. 1.
- 3.9.6** Compulsorily Redeemable Preference Shares to be issued will carry a coupon rate of 9% per annum. 9% non-cumulative Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a call option available to the Issuer Company for early redemption.
- 3.9.7** The issue and allotment of Equity and Preference Shares by the Resulting Company No. 1 to the shareholders of the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Resulting Company No. 1, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares to the Equity and Preference Shareholders of the Transferee Company in terms of this Scheme.
- 3.9.8** Further, approval of this Scheme by the shareholders of the Resulting Company No. 1 shall also be deemed to be the approval by the shareholders for enabling investment by Foreign Institutional Investors (FIIs)/Registered Foreign Portfolio Investors (FPIs), under the Portfolio Investment Scheme, in the issued and paid-up Equity Share Capital of the Resulting Company No. 1, equivalent to the percentage holding allowed in the Transferee Company. The Resulting Company No. 1 shall, upon the coming into effect of the Scheme, intimate the RBI and comply with such other requirements as mandated by the extant Foreign Exchange Regulations relating thereto.
- 3.9.9** In respect of the equity shares in the Transferee Company already held in dematerialized form, the New Equity Shares to be issued by the Resulting Company No. 1 in lieu hereof shall also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferee Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferee Company to the Resulting Company No. 1 on or before the Record Date. In respect of the equity shares of the Transferee Company held in physical form, each equity shareholders of the Transferee Company holding such share(s) shall have the option, to be exercised by way of giving a notice to the Resulting Company No. 1 on or before the Record Date, to receive the New Equity Share(s) of the Resulting Company No. 1 either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Resulting Company No. 1 in respect of any equity shareholder, the New Equity Shares of the Resulting Company No. 1 shall be issued to such shareholders in physical form.

For Transferor Companies No. 1 to 7

For Transferee Company

For Resulting Companies No. 1 & 2-

Director/Authorised Signatory

- 3.9.10** In the event there being any pending share transfer(s), the Board of Directors of the Transferee Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferee Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferee Company on de-merger pursuant to this Scheme.
- 3.9.11** Shares to be issued by the Resulting Company No. 1 pursuant to this Scheme in respect of any shares of the Transferee Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Resulting Company No. 1.
- 3.9.12** It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Resulting Company No. 1 will not apply to the share application money, if any, which may remain outstanding in the Transferee Company.
- 3.9.13** In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, new Equity Shares to be issued by the Resulting Company No. 1 to the Shareholders of the Transferee Company, pursuant to this Scheme, shall be listed on all the Stock Exchanges on which the Equity Shares of the Transferee Company are listed as on the Effective Date. The Resulting Company No. 1 will make necessary application(s) to the Stock Exchanges and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the new Equity Shares issued by the Resulting Company No. 1.

It is clarified that (9% Non-cumulative) Compulsorily Redeemable Preference Shares to be issued by the Resulting Company No. 1 will not be listed on BSE/NSE.

- 3.9.14** In case any Promoters' holding in the Resulting Company No. 1 and/or new Shares to be issued in the Resulting Company No. 1 in terms of this Scheme, are placed under lock-in by the Stock Exchange(s), SEBI or any other competent authority pursuant to the provisions of the Listing Agreement and SEBI Regulations; such locked in shares may be transferred within the Promoters' Group during such lock-in period.
- 3.9.15** Shares allotted pursuant to this Scheme may remain frozen in the Depositories system till listing/trading permission is given by the Stock Exchanges. The concerned Company will comply with the applicable provisions in this regard.

3.10 Re-organisation of Capital of the Resulting Company No. 1 and other matters

- 3.10.1** Present issued and paid up share capital of the Resulting Company No. 1 is ₹3,04,000 divided into 30,400 Equity Shares of ₹10 each, which is held by the Transferee Company. In terms of the provisions of this

For Transferor Companies No. 1 to 7

Alcde

For Transferee Company

K Chawla
Director/Authorised Signatory

For Resulting Companies No. 1 & 2-

K Chawla
Director/Authorised Signatory

Scheme, the Resulting Company No. 1 will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company No. 1 will have 100% mirror Equity Shareholding as that of the Transferee Company. In other words, post de-merger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company No. 1 as they are holding in the Transferee Company as on the record date. Accordingly, upon the Scheme becoming effective, the pre-Scheme issued and paid up share capital of the Resulting Company No. 1 which consists of 30,400 Equity Shares of ₹10 each aggregating ₹3,04,000, will be cancelled and 30,400 9% Compulsorily Redeemable Preference Shares of ₹10 each aggregating ₹3,04,000, will be created in place of such cancelled equity share capital.

3.10.2 Accordingly, the Resulting Company No. 1 will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid-up, for every 1 (one) Equity Share of ₹10 each held in the Resulting Company No. 1 and the pre-Scheme issued and paid up share capital of the Resulting Company No. 1 consisting of 30,400 Equity Shares of ₹10 each aggregating ₹3,04,000, will be cancelled.

3.10.3 9% Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a call option available to the Issuer Company for early redemption.

3.10.4 Re-organization/reduction of the paid-up share capital, reserves & surplus, etc., as the case may be, of the Resulting Companies, on de-merger, as the case may be, shall be affected as an integral part of the Scheme only. Approval of this Scheme by the Shareholders and/or Creditors of the Resulting Company No. 1 and sanction by the Tribunal under section 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of section 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the re-organization/reduction of the paid-up capital, reserves & surplus, etc., as the case may be, of the Resulting Company No. 1. Such re-organisation/reduction of share capital would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital. The Resulting Company No. 1 is not proposing any buy-back of shares from its shareholders.

3.10.5 It is clarified that no creditor of the Resulting Company No. 1 will be adversely affected by the proposed re-organisation of share capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

3.11 Employees Stock Option Scheme of the Transferee Company:

3.11.1 The Transferee Company has framed a stock option scheme for its employees named as 'Kamdhenu Employees Stock Option Scheme, 2017' (ESOS). Under the aforesaid ESOS, upon vesting, employees of the Transferee Company would have an option (ESOS Option) to acquire equity shares of the Transferee Company. The issued, subscribed and paid-up share capital of the Transferee Company shall

For Transferor Companies No. 1 to 7

Director/Authorised Signatory

For Transferee Company

Director/Authorised Signatory

For Resulting Companies No. 1 & 2-

Director/Authorised Signatory

change upon vesting and exercise of the Option under the aforesaid ESOS.

3.11.2 After implementation of the Scheme of Arrangement, the terms and conditions of the existing Kamdhenu Employees Stock Option Scheme, 2017, would be suitably amended to protect the rights and interest of the employees of the Transferee Company, in respect of the unvested ESOS Option held by the employees of the Transferee Company. The Board of Directors of the Transferee Company, subject to the requisite approval of the Shareholders, Stock Exchanges and other competent authorities, has proposed to amend the aforesaid ESOS Scheme to provide for early vesting of the all the ESOS Options to enable the employees to exercise the same before the record date of this Scheme.

3.11.3 It is clarified that in case any un-vested ESOS Options remained outstanding as on the Record Date of this Scheme, the Resulting Company No. 1 will frame and implement a separate Employees Stock Option Scheme, inter alia, for the employees who are transferred from the Transferee Company to the Resulting Company No. 2 along with the Demerged Business.

In case of outstanding ESOS Options in respect of the employees engaged in the Demerged Business of the Transferee Company, the following treatment will be given to the ESOS Options by the Resulting Company No. 1:

- a. ESOS Options which have been granted but have not been vested as on the Effective Date, would lapse.
- b. ESOS Options which have been vested on or before the Effective Date of this Scheme, would also get lapsed, to the extent such ESOS Options remain unexercised on the Record Date.

3.12 ACCOUNTING TREATMENT

Upon the Scheme becoming effective, De-merger of Paint Division of the Transferee Company into Resulting Company No. 2 and other connected matters as provided in this Scheme will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be, read with the provisions of section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, if any.

Following are the salient features of the accounting treatment to be given to the De-merger of Demerged Business of the Transferee Company, into the Resulting Company No. 2 and other connected matters:

3.12.1 In the books of the Transferee Company

- a. All the assets and liabilities pertaining to the Demerged Business (difference between the assets and liabilities hereinafter referred to as "Net Assets"), which cease to be the assets and liabilities of the Transferee Company, will be reduced from the books of accounts of the Transferee Company at their respective book values as appearing in the books of accounts of the Transferee Company, as on the Appointed Date, in compliance with the provisions of the Companies Act, 2013, the Income Tax Act, 1961, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India.

For Transferor Companies No. 1 to 7

For Transferee Company

Director/Authorised Signatory

For Resulting Companies No. 1 & 2

Director/Authorised Signatory

- b. The net assets value of the Demerged Business will be adjusted against the Capital Reserve, Securities Premium Account and other Reserves & Surplus, in that order, in books of the Transferee Company.

3.12.2 In the books of the Resulting Company No. 2

- a. The Resulting Company No. 2 shall record all the assets and liabilities (difference between the assets and liabilities hereinafter referred to as "Net Assets") pertaining to the Demerged Business vested in it pursuant to this Scheme, at the respective carrying values as reflected in the books of the Transferee Company as on the Appointed Date, in compliance with the provisions of the Companies Act, 2013, the Income Tax Act, 1961, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.
- b. Surplus arising on De-merger [being excess of assets over liabilities of the Demerged Business], shall be credited to the 'Capital Reserve', in the books of the Resulting Company No. 2.

3.12.3 In the books of the Resulting Company No. 1

- a. The Resulting Company No. 1 shall credit to the Share Capital Account, in its books of accounts, the aggregate face value of the new Equity and Preference Shares to be issued by it to the Equity Shareholders and Preference Shareholders of the Transferee Company pursuant to Clause 3.9.1 and 3.9.2 of this Scheme.
- b. Pre-Scheme issued and paid-up share capital of the Resulting Company No. 1 which consists of 30,400 Equity Shares of ₹10 each aggregating ₹3,04,000, will be cancelled and 30,400 9% Compulsorily Redeemable Preference Shares of ₹10 each aggregating ₹3,04,000, will be created in place of such cancelled equity share capital as per Clause 3.10 of this Scheme.
- c. The Resulting Company No. 1 shall create 'Deemed Investment Account' (forming part of overall investment) in its books of accounts by an amount equivalent to the Net Assets Value of the Demerged Business vested in the Resulting Company No. 2 [being excess of assets over liabilities of the Demerged Business].
- d. Surplus arising on De-merger [being excess of Deemed Investment Account over the aggregate face value of the new Equity and Preference Shares to be issued by the Resulting Company No. 1 to the Shareholders of the Transferee Company], shall be credited to the 'Other Reserve', in the books of the Resulting Company No. 1.

3.12.4 It is, however, clarified that the Board of Directors of the Transferee Company and the Resulting Companies No 1 & 2, in consultation with the respective Statutory Auditors, may account for the present de-merger and other connected matters in such manner as to comply with the provisions of section 133 of the Companies Act, 2013, the Income Tax Act, 1961, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

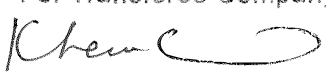
3.13 COMPLIANCE WITH TAX LAWS

- a. The De-merger of the Paint Division of the Transferee Company into the Resulting Company 2; and issue of shares by the Resulting

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

Company No. 1 on such de-merger, shall comply with the provisions of Section 2(19AA) read with section 2(41A) of the Income Tax Act, 1961 and other applicable provisions, if any.

- b.** This Scheme has been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) read with section 2(41A) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

For Transferor Companies No. 1 to 7


~~Director/Authorised Signatory~~

For Transferee Company


~~Director/Authorised Signatory~~

For Resulting Companies No. 1 & 2


~~Director/Authorised Signatory~~

PART 4

OTHER TERMS AND CONDITIONS

4.1 APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL

- 4.1.1 The Transferor Companies shall make necessary application(s)/petition(s) under the provisions of sections 230, 232 & 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Companies without the process of winding up and other connected matters.
- 4.1.2 The Transferee Company shall make necessary application(s)/petition(s) under the provisions of sections 230, 232 & 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench of the Hon'ble National Company Law Tribunal and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.
- 4.1.3 The Resulting Companies shall also make necessary application(s)/petition(s) under the provisions of sections 230, 232 & 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench of the Hon'ble National Company Law Tribunal and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

4.2 COMPLIANCE WITH SEBI REGULATIONS

- a. In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); Securities and Exchange Board of India (SEBI) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, as amended from time to time, and other applicable provisions, if any, the present Scheme of Arrangement is required to be approved by Public Shareholders (i.e., Equity Shareholders other than those forming part of Promoters and Promoters' Group) of the Listed Transferee Company by passing a Resolution through e-voting and other means, as may be applicable. In terms of the aforesaid SEBI Circulars, the Scheme will be acted upon only if the votes cast by Public Shareholders of the Listed Transferee Company in favour of the proposed Scheme are more than the number of votes cast by Public Shareholders against the Scheme, if any.
- b. Notwithstanding above, the Transferor Companies, the Transferee Company and the Resulting Companies will also comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in connection with this Scheme and other connected matters.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2.


Director/Authorised Signatory

- c. BSE Ltd will act as the Designated Stock Exchange for the purposes of this Scheme.

4.3 MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 4.3.1 The Transferor Companies, the Transferee Company and the Resulting Companies through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Tribunal and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- 4.3.2 In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.
- 4.3.3 The Transferor Companies, the Transferee Company and/or the Resulting Companies shall be at liberty to withdraw from this Scheme in case any condition, alteration or modification, imposed or suggested by the Tribunal or any other competent authority, is not acceptable to them; or as may otherwise be deemed fit or proper by any of these Companies. The Transferor Companies, the Transferee Company and/or the Resulting Companies will not be required to assign the reason for withdrawing from this Scheme.

4.4 OPERATIVE DATE OF THE SCHEME

- a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

4.5 AUTHORISED SHARE CAPITAL

Save as provided in this Scheme, the concerned Transferee Company and the Resulting Companies, as the case may be, will increase/modify their respective Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Arrangement by the Shareholders of the Transferee Company and the Resulting Companies will be sufficient for such the modification/increase in the authorised share capital and no further approval will be required for the same.

4.6 INTERPRETATION

If any doubt or difference or issue arises among the Transferor Companies, the Transferee Company and the Resulting Companies or any of their Shareholders or Creditors and/or any other person as to the construction hereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr Rajeev K Goel, LLB, FCS, Advocate, Rajeev Goel & Associates, Advocates and Solicitors, 785, Pocket-E, Mayur Vihar II, Delhi Meerut Expressway/NH-24, Delhi 110 091, Mobile: 93124

For Transferor Companies No. 1 to 7

For Transferee Company

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

09354, e-mail: rajeev391@gmail.com; Website: www.rgalegal.in, whose decision shall be final and binding on all concerned.

4.7 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation and De-merger in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation and de-merger exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

Schedule-1 to the Scheme of Arrangement

**Performa Balance Sheet of Paint Division of Kamdhenu Ltd to be De-merged into Kamdhenu Colour and Coatings Ltd
(As on 30th September, 2019)**

Particulars	Amount (₹ in lakh)
ASSETS	
Non-current Assets	
Net Fixed Assets	2,630.60
Financial Assets & Other Non Current Assets	215.47
Current Assets, Loans and Advances	
Inventories	4,423.80
Sundry Debtors	6,255.73
Cash and Cash Equivalents	272.15
Bank Balances	199.69
Loans, Other Financial assets and Other Current Assets	5,531.53
Total Assets (A)	19,528.97
LIABILITIES	
Non-current Liabilities	
Financial Liabilities	379.22
Provisions	178.58
Deferred Tax Liabilities (Net)	195.92
Current Liabilities & Provisions	
Current Liabilities & Provisions	13,684.86
Total Liabilities (B)	14,438.58
Net Assets [A-B] (C)	5,090.39

For Transferor Companies No. 1 to 7


Director/Authorised Signatory

For Transferee Company


Director/Authorised Signatory

For Resulting Companies No. 1 & 2-


Director/Authorised Signatory

B S D & Co.

Chartered Accountants

Branch Office Delhi: 810, 8th Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi-110001(Delhi)
Tel. : 011-43029888, Email id: delhi@bsdgroup.in website : www.bsdgroup.in

To Whom It May Concern

We, the undersigned Chartered Accountants, being the Statutory Auditors of **Kamdhenu Ltd** [CIN: L 27101 HR 1994 PLC 092205; PAN: AAA CK 7155 M], having its registered office at 2nd Floor, Tower A, Building No. 9, DLF Cyber City, Phase-3, Gurgaon-122 002, Haryana (hereinafter referred to as "the Company") do hereby certify and confirm the following:

- i. We had issued a Certificate dated 31st January, 2020 on the Accounting Treatment for the Arrangement as provided in the Scheme of Arrangement of Kamdhenu Concast Ltd, Kamdhenu Overseas Ltd, Kamdhenu Paint Industries Ltd, Kamdhenu Infradevelopers Ltd, Kamdhenu Nutrients Pvt Ltd, Kay2 Steel Ltd, Tiptop Promoters Pvt Ltd, Kamdhenu Ltd, Kamdhenu Ventures Ltd and Kamdhenu Colour and Coatings Ltd (hereinafter referred to as "the Scheme").
- ii. The Company has informed us that as desired by the Regional Director, Ministry of Corporate Affairs, New Delhi specific and detailed accounting treatment to be given to the De-merger by the Resulting Company No. 2 and the Resulting Company No. 1 were incorporated in the Scheme of Arrangement. Accordingly, Para 3.12.2 and 3.12.3 of the Scheme which provides the salient features of the Accounting Treatment to be given to the De-merger by the Resulting Company No. 2 and the Resulting Company No. 1, respectively, were replaced with the New Para 3.12.2 and Para 3.12.3 and the Scheme was revised/modified to that extent. The said New Para 3.12.2 and Para 3.12.3 are reproduced below:

New Para 3.12.2: In the books of the Resulting Company No. 2

- a. *The Resulting Company No. 2 shall record all the assets and liabilities (difference between the assets and liabilities hereinafter referred to as "Net Assets") pertaining to the Demerged Business vested in it pursuant to this Scheme, at the respective carrying values as reflected in the books of the Transferee Company as on the Appointed Date, in compliance with the provisions of the Companies Act, 2013, the Income Tax Act, 1961, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.*
- b. *Surplus arising on De-merger [being excess of assets over liabilities of the Demerged Business], shall be credited to the 'Capital Reserve', in the books of the Resulting Company No. 2.*

New Para 3.12.3: In the books of the Resulting Company No. 1

- a. *The Resulting Company No. 1 shall credit to the Share Capital Account, in its books of accounts, the aggregate face value of the new Equity and Preference Shares to be issued by it to the Equity Shareholders and Preference Shareholders of the Transferee Company pursuant to Clause 3.9.1 and 3.9.2 of this Scheme.*



- b.** *Pre-Scheme issued and paid-up share capital of the Resulting Company No. 1 which consists of 30,400 Equity Shares of ₹10 each aggregating ₹3,04,000, will be cancelled and 30,400 9% Compulsorily Redeemable Preference Shares of ₹10 each aggregating ₹3,04,000, will be created in place of such cancelled equity share capital as per Clause 3.10 of this Scheme.*
- c.** *The Resulting Company No. 1 shall create 'Deemed Investment Account' (forming part of overall investment) in its books of accounts by an amount equivalent to the Net Assets Value of the Demerged Business vested in the Resulting Company No. 2 [being excess of assets over liabilities of the Demerged Business].*
- d.** *Surplus arising on De-merger [being excess of Deemed Investment Account over the aggregate face value of the new Equity and Preference Shares to be issued by the Resulting Company No. 1 to the Shareholders of the Transferee Company], shall be credited to the 'Other Reserve', in the books of the Resulting Company No. 1.*
- iii. We have perused the revised/modified Scheme of Arrangement as approved by the Board of Directors of the Company vide Resolution dated 15th April, 2022; and the provisions of the Scheme pertaining to the accounting treatment for the proposed de-merger; and other matters.
- iv. On the basis of such perusal and explanation given to us, we do hereby certify and confirm that the 'accounting treatment' proposed in the aforesaid Scheme [including the accounting treatment given in New Para 3.12.2 and Para 3.12.3 of the revised Scheme which are reproduced above] is in conformity with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 and Generally Accepted Accounting Principles.

This certificate has been issued on the basis of the aforesaid revised/modified Scheme provided to us and on the specific request made by the Company.

For BSD & Co.
Chartered Accountants
Firm Registration Number: 000312S


Surendra Khinvasra
Partner
Membership Number: 070804



Place: New Delhi
Date: 15-04-2022
UDIN: 22070804AHCYXV4608