

Scheme of Amalgamation
of
Shree Cement North Private Limited
(“Transferor Company 1”)
and
Shree Cement East Private Limited
(“Transferor Company 2”)
with
Shree Cement Limited
(“Transferee Company”)
and
their respective shareholders
(Pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013)

(A) Overview of the Scheme

This Scheme provides for the amalgamation of the Transferor Companies, being Shree Cement North Private Limited and Shree Cement East Private Limited that are wholly-owned subsidiaries of Shree Cement Limited, with the Transferee Company, being Shree Cement Limited, with effect from the Appointed Date (*as defined hereinafter*) pursuant to Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) read with Section 2(1B) and other applicable provisions of the Income Tax Act (*as defined hereinafter*).

(B) Description of the Companies

The Transferor Company 1 is a company incorporated under the Act. The Transferor Company 1 is inter alia engaged in the business of cement manufacturing and sales. The Transferor Company 1 is a wholly owned subsidiary of the Transferee Company.

The Transferor Company 2 is a company incorporated under the Act. The Transferor Company 2 is inter alia engaged in the business of cement manufacturing and sales. The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company.

The Transferee Company is a company incorporated under the Companies Act, 1956. The Transferee Company is inter alia engaged in the business of cement manufacturing and sales. The equity shares of the Transferee Company are listed on the Stock Exchanges (*as defined hereinafter*).

(C) This Scheme is divided into two parts:

Part I - Definitions, share capital details, interpretation and rationale; and

Part II - Amalgamation of the Transferor Companies with the Transferee Company.



PART – I

(Definitions, share capital details, interpretation and rationale)

1. DEFINITIONS AND INTERPRETATION:

1.1 In this Scheme, unless inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

"Act" means the Companies Act, 2013 and any rules, regulations, circulars or notification or guidelines issued thereunder and shall include any statutory modifications or re-enactment thereof;

"Appointed Date" means the opening business hours of 1st April 2023;

"Applicable Law" or "Law" means any applicable national, foreign, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Transferor Companies and the Transferee Company; (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Transferor Companies and the Transferee Company as may be in force from time to time;

"Appropriate Authority" means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof; and
- (b) any governmental, quasi-governmental or private body, self-regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, tax, import, export or other governmental or quasi-governmental authority including without limitation, Securities Exchange Board of India, Stock Exchanges, clearing corporations, and the Tribunal.

"Board of Directors" or "Board" means the Board of Directors of the Transferor Companies and / or the Transferee Company, as the context may require, and includes Committees of the Board, if any, constituted for the implementation of the Scheme;

"Effective Date" means the last of the dates on which all the conditions mentioned in Clause 17 are fulfilled, obtained or waived;

"Encumbrance" means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (iii) any hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **"Encumber"** shall be construed accordingly;

"Income Tax Act" means the Income-Tax Act, 1961 and any rules, regulations, circulars or notification or guidelines issued thereunder and shall include any statutory modifications or re-enactment thereof;



"Permits" means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, entitlements, quotas, awards, sanctions, special status, privileges, clearances, confirmations, declarations, concessions, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

"Registrar of Companies" means the relevant jurisdictional Registrar of Companies having jurisdiction over the Transferor Companies and the Transferee Company;

"Scheme" means this Scheme of Amalgamation of the Transferor Companies with the Transferee Company and their respective shareholders pursuant to Sections 230 to 232 and other applicable provisions of the Act in the present form or with such modification(s) and as sanctioned by the Tribunal;

"Stock Exchanges" means the National Stock Exchange of India Limited and the BSE Limited collectively and Stock Exchange shall mean each of them individually;

"Taxation" or "Tax" or "Taxes" means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, sales, manufacture, service, supply, entry into, import, export, employment or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, advance tax, Minimum Alternate Tax (MAT) or otherwise or attributable directly or primarily to the Transferor Companies, the Transferee Company or any other person and all penalties, charges, costs and interest relating thereto;

"Tax Laws" means all Applicable Laws, acts, rules and regulations dealing with Taxes, duties and cesses by whatever name called, including but not limited to income-tax, wealth tax, profession tax, sales tax, value added taxes, central sales tax, entry taxes, local / municipal taxes and levies, service tax, goods and services tax, central excise duty, customs duty, benefits under the foreign trade policies or any other levy of similar nature;

"Transferor Company 1" means Shree Cement North Private Limited, a company incorporated under the Act having Corporate Identity No. U26940RJ2021PTC075323 and its registered office at Bangur Nagar, Beawar - 305901 in the State of Rajasthan;

"Transferor Company 2" means Shree Cement East Private Limited, a company incorporated under the Act having Corporate Identity No. U26999WB2021PTC245736 and its registered office at 21, Strand Road, Kolkata - 700001 in the State of West Bengal;

"Transferee Company" means Shree Cement Limited, a company incorporated under the Companies Act, 1956 having Corporate Identity No. L26943RJ1979PLC001935 and its registered office at Bangur Nagar, Beawar - 305901 in the State of Rajasthan;

"Transferor Companies" means the Transferor Company 1 and the Transferor Company 2 collectively; and

"Tribunal" means such Bench of the National Company Law Tribunal having jurisdiction over the Transferor Companies and the Transferee Company, as the case may be.

1.2 All 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, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 (as the case may be) or other Applicable Laws, rules, regulations, bye-laws, as the case may be, including any statutory amendment, modification or re-enactment thereof, from time to time.

1.3 Interpretation

In this Scheme, unless the context otherwise requires:

- 1.3.1 words denoting the singular shall include the plural and vice versa;
- 1.3.2 any person includes that person's legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
- 1.3.3 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same;
- 1.3.4 the term 'Clause' refers to the specified clause of this Scheme; and
- 1.3.5 the words 'include' and 'including' are to be construed without limitation.

2. SHARE CAPITAL:

- (A) The share capital structure of the Transferor Company 1 as on date of its Board approving the Scheme is as follows:

| Particulars | Amount in INR |
|---|-----------------------|
| Authorised share capital | |
| 100,00,00,000 equity shares of INR 10/- each | 1000,00,00,000 |
| Total | 1000,00,00,000 |
| Issued, subscribed and fully paid-up share capital | |
| 110,000,000 equity shares of INR 10- each | 110,00,00,000 |
| Issued, subscribed and partly paid-up share capital | |
| 10,00,00,000 equity shares of INR 10/- each, INR 5.39 paid up | 53,90,00,000 |
| Total | 163,90,00,000 |



- (B) The share capital structure of the Transferor Company 2 as on date of its Board approving the Scheme is as follows:

| Particulars | Amount in INR |
|---|-----------------------|
| Authorised share capital | |
| 100,00,00,000 equity shares of INR 10/- each | 1000,00,00,000 |
| Total | 1000,00,00,000 |
| Issued, subscribed and fully paid-up share capital | |
| 70,50,00,000 equity shares of INR 10/- each | 705,00,00,000 |
| Total | 705,00,00,000 |

- (C) The share capital structure of the Transferee Company as on date of its Board approving the Scheme is as follows:

| Particulars | Amount in INR |
|---|---------------------|
| Authorised share capital | |
| 6,00,00,000 equity shares of INR 10/- each | 60,00,00,000 |
| 15,00,000 preference shares of INR 100/- each | 15,00,00,000 |
| Total | 75,00,00,000 |
| Issued, subscribed and fully paid-up share capital | |
| 3,60,80,748 equity shares of INR 10/- each | 36,08,07,480 |
| Total | 36,08,07,480 |

3. RATIONALE:

- i. The Transferee Company is engaged in manufacturing and marketing of cement and cementitious product. Established in 1979, the Transferee Company has grown rapidly over last 2 decades and has installed cement production capacity of 46.90 MTPA as on 30th September 2023. It is regarded as one of the most efficient cement producers in the Indian cement industry.
- ii. The Transferor Companies were incorporated in year 2021 as wholly owned subsidiaries of the Transferee Company. The Transferor Companies are engaged in the business of manufacturing and sale of cement. The Transferor Company 2 has recently set up a 3.0 MTPA Cement Grinding Unit in Purulia district in the State of West Bengal and is in the process of completing pre-project implementation activities at few other locations. Similarly, the Transferor Company 1 is also in the process of completing pre-project implementation activities at few locations for setting up cement plants.



- iii. The Transferee Company is among the top three cement manufacturing groups in India. There are several commonalities and synergistic linkages between the Transferee Company and the Transferor companies. Considering the commonalities and possible synergy benefits, the business of the Transferee Company and the Transferor Companies can be combined and carried on together more advantageously.
- iv. In view of the aforesaid, including commonality of business interests, portfolio fit and objectives of the Transferor Companies and the Transferee Company and synergies that exist between them, it is considered desirable and expedient to amalgamate the Transferor Companies with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.
- v. The amalgamation of the Transferor Companies with the Transferee Company will result in following benefits and advantages:
 - a) The business of the Transferee Company will be carried on more efficiently and economically and inter alia result in pooling and more effective utilization of the combined resources of all three companies, reduction in costs and expenses and rationalization and reduction of compliance requirements.
 - b) The consolidation of the Transferor Companies with the Transferee Company will result in the formation of a stronger company having greater capacity to access and raise funds for carrying on its business and pursuing and completing its various projects and plans therein, including marketing and selling its products and conducting trade on more favorable terms.
 - c) As such the amalgamation of the Transferor Companies with the Transferee Company will enable greater realization of the potential of the businesses of the Transferor Companies and the Transferee Company.
 - d) The Scheme is proposed to the advantage of the Transferor Companies and the Transferee Company and will have beneficial results for the respective companies, their shareholders, employees and all stakeholders concerned.

PART-II

(Amalgamation and vesting of the Transferor Companies with the Transferee Company)

4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANIES:

- 4.1 With effect from the Appointed Date, the Transferor Companies shall stand amalgamated with the Transferee Company, as provided in the Scheme. Accordingly, all assets, rights, claims, intellectual properties, credentials, Permits, contracts, liabilities, debt, employees, loans, records, duties and obligations of the Transferor Companies shall, pursuant to the provisions contained in Section 232 and other applicable provisions of the Act, stand transferred to and vest in and be deemed to be transferred to and vested in the Transferee Company, as a going concern without any further act, deed, matter or thing so as to become on and from the Appointed Date, the assets, rights, claims, intellectual properties, credentials, Permits, contracts, liabilities, employees, loans, debentures, records, duties and obligations of the Transferee Company.



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4.2 Upon effectiveness of the Scheme and with effect from the Appointed Date, without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Companies under this Scheme, is as follows:

4.2.1 Such of the assets and properties of the Transferor Companies as are movable in nature or are otherwise capable of transfer by physical or constructive delivery or possession, or by endorsement and/or delivery the same shall, be so transferred by the Transferor Companies to the Transferee Company, without any deed or instrument of conveyance for the same, and shall be deemed to have been transferred to the Transferee Company as a part of the transfer of the all assets and liabilities of the Transferor Companies as going concerns, so as to become the assets and properties of the Transferee Company with effect from the Appointed Date.

4.2.2 In respect of such of the assets and properties of the Transferor Companies other than those referred to in Clause 4.2.1 above, including expressly all immovable assets and properties of the Transferor Companies, such assets and properties along with all right, title and interest therein shall be transferred to and vested, in and/or be deemed to be transferred to and vested in the Transferee Company, without any further act or deed, pursuant to the provisions of Section 232(4) of the Act so as to become the assets and properties of the Transferee Company with effect from the Appointed Date.

4.2.3 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.2 above and Clause 4.2.4 below, it is clarified that, with respect to the immovable properties of the Transferor Companies in the nature of land and buildings, the Transferor Companies and/or the Transferee Company shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.3 or Clause 4.2.4 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Transferor Companies takes place and the assets and liabilities of the Transferor Companies shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme.

4.2.4 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Companies which are in the nature of land and buildings situated in states other than the States of Rajasthan and West Bengal, whether owned or leased, for the purpose of, inter alia, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, the Transferor Companies and/ or the Transferee Company, whether before or after the Effective Date, as the case may be, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.



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- 4.2.5 All debts, liabilities, credit facilities, duties and obligations of the Transferor Companies, shall also be transferred to the Transferee Company, without any further act, instrument or deed, pursuant to the provisions of Section 232(4) of the Act, so as to become the debts, liabilities, credit facilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies with effect from the Appointed Date.
- 4.2.6 All assets of the Transferor Companies, as aforesaid, shall continue to be subject to the existing charges, mortgages and other Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges shall be confined only to the relative assets of the Transferor Companies or part thereof on or over which they are subsisting on transfer of such assets to the Transferee Company and no such charges shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Companies are a party) to any assets of the Transferor Companies shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges in respect of such indebtedness of the Transferor Companies shall not extend or be deemed to extend or apply to the assets so acquired by the Transferee Company.
- 4.2.7 For the removal of doubts, it is clarified that to the extent that there are inter-company loans, debentures, deposits, obligations, balances or other outstanding as between the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, debentures, deposits, balances or other outstanding with effect from the Appointed Date.
- 4.2.8 The Transferee Company, pursuant to this Scheme, may, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Companies are parties or any writings or agreements or deeds, as may be considered desirable or expedient, in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings or agreements or deeds on behalf of the Transferor Companies to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies.
- 4.2.9 The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to any debtor(s) or obligor(s) of the Transferor Companies that pursuant to the sanction of this Scheme by the Tribunal, the debt, loan, advance, claim, bank balance, deposit or other payable due or owed to or held on account of the Transferor Companies, as the case may be, be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Companies to recover or realize such debt, loan, advance, claim,



bank balance, deposit or other payable, stands transferred and assigned to the Transferee Company and that appropriate entries shall be passed in the books of accounts of the relevant debtor(s) or obligor(s) to record such change.

- 4.2.10 Upon the coming into effect of this Scheme, the resolutions / powers of attorney, and other actions undertaken by the Transferor Companies, including the approvals that may have been obtained by the Transferor Companies from its shareholders under the provisions of the Act and which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute a part of the aggregate of the said limits in the Transferee Company.
- 4.2.11 On and from the Effective Date, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Companies and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions. Without prejudice to the generality of the foregoing, it is clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Companies. It is hereby expressly clarified that any legal proceedings by or against the Transferor Companies in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of this Scheme.
- 4.2.12 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill which includes the positive reputation that the Transferor Companies were enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how, client records, KYC (know your customer) records/ POAs (power of attorney), authorisations, client details and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business



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activities and operations of the Transferor Companies shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed.

4.2.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Companies, manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Companies prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Companies at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of the Transferee Company after the Effective Date.

4.2.14 Subject to the other provisions of this Scheme, all licenses, Permits, approvals, permissions, consents, registrations, eligibility certificates and no-objection certificates obtained by the Transferor Companies for their operations and/or to which the Transferor Companies are entitled to in terms of the various statutes, schemes, policies, etc. of Union and State Governments, including, without prejudice to the generality of the foregoing, mining leases and licenses, prospecting licences and applications, shall be available to and vest in the Transferee Company, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. Since all the assets and liabilities of the Transferor Companies will be transferred to and vested in the Transferee Company as going concerns without any break or interruption in the operations thereof, the Transferee Company shall be entitled to the benefit of all such licenses, Permits, approvals, permissions, consents, registrations, eligibility certificates and no-objection certificates, including mining leases and licenses and prospecting licences and applications, as enjoyed by the Transferor Companies and to carry on and continue the operations of the entire undertaking of the Transferor Companies on the basis of the same upon this Scheme becoming effective. Further, all benefits to which the Transferor Companies are entitled or would have been entitled in absence of the amalgamation, in terms of the various statutes and / or schemes of Union and State Governments, including credit for MAT, advance tax and tax deducted at source, expenses incurred by the Transferor Companies but deduction to be claimed on payment basis on compliance with withholding tax provisions (as the case may be) under Sections 40(a)(i), 40(a)(ia) or 43B, of the Income Tax Act (if any), other benefits under Income Tax Act, including tax credits and benefits relating to Section 72A of Income Tax Act, brought forward losses under the head capital gains or otherwise and all other benefits under the other Tax laws, including central excise duty (including Modvat/Cenvat), sales tax, value added tax, central sales tax, entry taxes, service tax and goods and services tax, input tax credit, subsidies, grants, tax refunds etc. shall be available to the Transferee Company upon this Scheme becoming effective. Further the Transferee Company shall be entitled to claim, deduction of bad debts, advances, investments and any other receivables (including deposits with Government, semi-Government, local and other authorities and bodies), the provision for which was made by the Transferor Companies but not claimed in their tax returns, such deductions being eligible on actual write off.



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4.2.15 All Taxes, duties and other levies whatsoever under the Tax Laws, including without prejudice to the generality of the foregoing, income tax, advance tax, tax deducted at source, tax collected at source, self-assessment tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, input tax credits, export benefits under the Foreign Trade Policies or any other act or policy, CENVAT credit, taxes withheld/paid in a foreign country, Goods and Services Tax, Value Added Taxes, Sales tax, Central Sales Tax, Customs Duty, Service Tax, Octroi, Entry Taxes, municipal taxes, Stamp Duty and cesses paid, payable, received or receivable by or on behalf of the Transferor Companies or being refundable to or the entitlement of the Transferor Companies in respect of the operations and/or profits before the Effective Date, including all or any refunds, claims or entitlements or credits (including credits for income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax, CENVAT credit, goods and service taxes credits, other indirect taxes credits and any other tax receivables, benefits, refunds etc.) shall, for all purposes, be treated as the taxes / cess / duties, liabilities or refunds, claims or credits, benefits, as the case may be, of the Transferee Company. Any tax incentives, subsidies, special status, benefits (including claims for unabsorbed tax losses and unabsorbed tax depreciation), advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, rebates, etc. which would have been available to the Transferor Companies, shall be available to the Transferee Company, pursuant to this Scheme becoming effective and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such taxes. The Transferee Company shall be entitled to claim carry forward and set off of unabsorbed business losses and brought forward depreciation under Section 72A of the Income Tax Act read with Rule 9C of Income Tax Rules, 1962 and losses under the head capital gains, refunds or credits, input tax credits, including input tax credits under Section 18(3) of the Goods and Services Act, CENVAT credit, etc., with respect to taxes paid by, for, or on behalf of, the Transferor Companies under the Tax Laws whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.

4.2.16 All inter-se transactions amongst the Transferor Companies and the Transferee Company between the Appointed Date and the Effective Date shall be considered as transactions from the Transferee Company to itself subject to the other provisions of this Scheme. Any tax deducted at source by the Transferor Companies/ Transferee Company on inter-se transactions amongst the Transferor Companies and the Transferee Company between the Appointed Date and the Effective Date shall be deemed to be advance tax paid or tax deposited by the Transferee Company and shall, in all proceedings, be dealt with accordingly in the hands of the Transferee Company (including but not limited to grant of such tax deposited as credit against total tax payable by the Transferee Company while filing consolidated return of income on or after Appointed Date). The Transferee Company shall be accordingly entitled to claim refund of tax paid, if any, on these inter-se transactions, as per the Tax Laws. Further any advance tax paid, Tax Deduction/Collection at Source ("TDS" or "TCS") credits, TDS/TCS certificates received by the Transferor Companies shall be deemed to be the advance tax paid by/TDS/TCS credit of the Transferee Company. Notwithstanding the foregoing, inter se transactions of supply or receipt of goods and services amongst the Transferor Companies and the Transferee Company between the Appointed Date and the Effective Date shall be subject to taxation under the Central Goods and Service Tax Act, 2017 in accordance with the provisions of Section 87 of the said Act. For the avoidance of doubt, input tax credits already availed of or utilized by the Transferor Companies and the Transferee Company in respect of such inter-se transactions of



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supply or receipt of goods and services between the Appointed Date and the Effective Date shall not be adversely impacted by the foregoing provisions of this clause.

4.2.17 All compliances under the Tax Laws between the Appointed Date and Effective Date, undertaken by the Transferor Companies, shall, upon this Scheme coming into effect, be deemed to have been complied with, by the Transferee Company. All statutory rights and obligations of the Transferor Companies would vest in/accrue to the Transferee Company. Hence, obligation of the Transferor Companies, prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under the Tax Laws would be deemed to have been fulfilled if they are issued or received by the Transferee Company and if any form relating to the period prior to the said the Effective Date is received in the name of the Transferor Companies, it would be deemed to have been received by the Transferee Company in fulfilment of its obligations. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for taxes paid (including, TDS, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. Upon the Scheme becoming effective, the Transferee Company shall file the modified return of income in compliance with Section 170A of the Income Tax Act.

4.2.18 The amalgamation of the Transferor Companies with the Transferee Company and transfer and vesting of all assets and liabilities of the Transferor Companies in the Transferee Company has been proposed in compliance with the provisions of Section 2(1B) of the Income Tax Act. The Transferee Company undertakes to ensure that all conditions precedent and requirements under Section 72A of the Income Tax Act read with Rule 9C of the Income-tax Rules, 1962 will be complied with post amalgamation of the Transferor Companies with the Transferee Company. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section(s) at a later date, including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section(s) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with the said Section(s). Such modification will however not affect the other parts of the Scheme.

5. LEGAL PROCEEDINGS:

If any suits, actions and proceedings of whatsoever nature (hereinafter called "**the Proceedings**") by or against the Transferor Companies are pending on the Appointed Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Companies, in the absence of the Scheme.

6. COMBINATION OF AUTHORISED SHARE CAPITAL

6.1 Consequent to and as part of the amalgamation of the Transferor Companies with the Transferee Company, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company pursuant to the Scheme, without any further act or deed, and without payment of any registration or filing fee on such combined authorised share capital, as the Transferor Companies



and the Transferee Company have already paid fees on their respective authorized share capital.

- 6.2 Upon effectiveness of the Scheme, Clause V of the memorandum of association of the Transferee Company shall stand altered accordingly and substituted by the following Clause upon the Scheme becoming effective:

Clause V of memorandum of association:

"V. The Authorised Share Capital of the Company is Rs. 2075,00,00,000/- (Rupees Two Thousand Seventy Five Crores) divided into 2,06,00,00,000 (Two Hundred Six Crores) Equity Shares of Rs. 10/- (Rupees ten) each and 15,00,000 (Fifteen lacs) Cumulative Preference Shares of Rs. 100/- (Rupees one hundred) each with power to increase or reduce the share capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

- 6.3 It is clarified that, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 6.2 above, pursuant to Sections 13, 14, 61, 64 or any other provisions of the Act and the approval of the Tribunal to the Scheme shall be deemed to be consent/ approval of the shareholders of the Transferee Company also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

7. CONTRACTS AND DEEDS:

Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements, engagements and other instruments of whatsoever nature to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible and which have not lapsed and are subsisting on or before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto.

8. SAVING OF CONCLUDED TRANSACTIONS:

The transfer and vesting of all the assets and liabilities of the Transferor Companies under Clause 4 above, the continuance of Proceedings by or against the Transferee Company under Clause 5 above and the effectiveness of contracts and deeds under Clause 7 above, shall not affect any transaction or proceeding already concluded by the respective Transferor Companies on or before the Effective Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and on behalf of the Transferor Companies as acts, deeds and things done and executed by and on behalf of the Transferee Company.

9. EMPLOYEES:

On and from the Effective Date:

- 9.1 All the employees of the Transferor Companies in service on the Effective Date shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Companies without treating it as a break,



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discontinuances or interruption in services on the Effective Date.

- 9.2 Accordingly, the services of such employees for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Companies.
- 9.3 It is expressly provided that the provident fund, gratuity fund or any other fund or funds ("Funds") created or existing for the benefit of the employees, as applicable, of the Transferor Companies shall be continued by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever, including in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Funds shall become those of the Transferee Company. Alternatively, the accumulated balances standing to the credit of the employees of the Transferor Companies in the said Funds of which they are members will be transferred to such Funds nominated by the Transferee Company and/or such new Funds to be established and caused to be recognized by the concerned authorities by the Transferee Company, as the Board of Directors of the Transferee Company may deem fit. Upon transfer of the accumulated balances, as aforesaid, to the respective Funds of the Transferee Company, the existing trusts created for such Funds by the Transferor Companies, if any, shall stand dissolved without any further act or deed. Pending such transfer, the dues of the said employees relating to the said Funds would continue to be deposited in the existing Funds.

10. DISSOLUTION OF THE TRANSFEROR COMPANIES:

The Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 232 of the Act. It is clarified that the Directors of the Transferor Companies shall consequently cease to hold office with effect from the Effective Date. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the concerned Registrar of Companies.

11. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANIES IN TRUST FOR THE TRANSFEEE COMPANY:

11.1 With effect from the date of approval of the Board of the Transferor Companies and the Transferee Company to the Scheme and up to and including the Effective Date, the Transferor Companies shall carry on its business with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.

11.2 With effect from the Appointed Date and upto the Effective Date:

- i. The Transferor Companies shall carry on and be deemed to have carried on all its business and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company.
- ii. The Transferor Companies shall not charge, mortgage, encumber, alienate or otherwise deal with its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business, without the prior written consent of the Transferee Company.
- iii. All profits or income accruing or arising to the Transferor Companies (including taxes paid thereon) or expenditure or losses arising or incurred by the Transferor



Companies on and after the Appointed Date shall, for all purposes, be deemed to have accrued as the profits or income (including taxes paid) or expenditure or losses, as the case may be, of the Transferee Company.

- 11.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Transferee Company, may require to carry on the relevant business of the Transferor Companies and to give effect to the Scheme.
- 11.4 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Transferee Company, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Transferee Company, shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company, pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferee Company. It is clarified that the Transferee Company, shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

12. CANCELLATION AND NO ISSUE OF SHARES:

Since all the equity shares of the Transferor Companies are held by the Transferee Company and the Transferee Company, being the holding company, cannot issue or allot any shares to itself, no shares whatsoever shall be issued by the Transferee Company in consideration of the amalgamation. Accordingly, the said equity shares of the Transferor Companies and the corresponding investment of the Transferee Company in such equity shares of the Transferor Companies shall stand cancelled upon the Scheme becoming effective.

13. DIVIDEND

The Transferor Companies shall not declare or pay any dividend in respect of the period falling on and after the Appointed Date, without the prior written consent of the Transferee Company. For the removal of doubts, it is declared that nothing in this Scheme shall prevent the Transferee Company from declaring and paying any dividends, whether interim or final, to its equity shareholders.

14. ACCOUNTING:

- 14.1 Upon the Scheme being effective and with effect from Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Companies into and with the Transferee Company in its books of accounts in compliance with the pooling of interest method prescribed for business combinations of entities under common control in Appendix C of Indian Accounting Standard (Ind AS) 103 notified under Section 133 of the Companies Act, 2013 read with the rules issued thereunder and



other generally accepted accounting principles in India in the following manner:

- a. On and from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required and except to the extent required otherwise by Law, all assets, liabilities and reserves of the Transferor Companies transferred to the Transferee Company under the Scheme shall be recorded in the books of accounts of the Transferee Company at the carrying values of assets, liabilities and reserves pertaining to the Transferor Companies as appearing in the consolidated financial statements of the Transferee Company as at the Appointed Date.
- b. As a result, investment in the equity share capital of Shree Cement North Private Limited and Shree Cement East Private Limited as appearing in the books of Shree Cement Limited shall stand cancelled. To the extent there are inter-company loans, advances and any other balances whatsoever between the Transferor Companies and Transferee Company, the same shall stand cancelled without any further act or deed, upon the Scheme becoming effective.
- c. In case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the General Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- d. The financial information presented in the financial statements of the Transferee Company in respect of prior periods shall be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements irrespective of the Appointed date.

14.2 Any matter not dealt with in this Clause 14, shall be dealt with in accordance with the accounting standards applicable to the Transferee Company.

15. APPLICATIONS:

The Transferor Companies and the Transferee Company shall file necessary applications pursuant to Sections 230 to 232 of the Act with the Tribunal for seeking sanction to the Scheme and for consequent dissolution of the Transferor Companies without winding up. The Transferor Companies and the Transferee Company shall also seek such other approvals as may be necessary in Applicable Law, if any, for bringing the Scheme into effect and be entitled to take such other steps and proceedings as may be necessary or expedient to give full and formal effect to the provisions of this Scheme. It is hereby clarified that submission of any application by the Transferor Companies and/or the Transferee Company to an Appropriate Authority for any matter pursuant to this Scheme shall be without prejudice to all rights, interests, title, or defences in law.

16. APPROVAL AND MODIFICATION:

16.1 The Transferor Companies and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

- i. to assent from time to time to any modifications or amendments or substitutions of the Scheme or to any conditions or limitations which the Tribunal and / or any other Appropriate Authorities under law may deem fit to approve or direct or which may be considered necessary due to any change in law or as may be otherwise deemed expedient or necessary by the Board of Directors of the Transferor



Companies and the Transferee Company; and

- ii. to settle all doubts or difficulties that may arise in carrying out the Scheme, to give their approval to all such matters and things as contemplated or required to be given by them in terms of this Scheme, including waiving any condition for the Scheme coming into effect, if and to the extent permissible, and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect, including for carrying out or performing all such formalities or compliances as may be deemed proper and necessary for effecting transfer and vesting of the properties of the Transferor Companies.

16.2 Without prejudice to the generality of the foregoing, the Transferor Companies and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

17. SCHEME CONDITIONAL UPON:

17.1 Unless otherwise decided (or waived) by the Transferor Companies and the Transferee Company, the Scheme is conditional upon and subject to:

- i. approval of the Scheme by the requisite majority of the shareholders and such other classes of persons of the Transferor Companies and the Transferee Company, if any, as may be required under the Act and as maybe directed by the Tribunal.
- ii. sanction and orders of the Tribunal under Sections 230 to 232 of the Act being obtained by the Transferor Companies and the Transferee Company.
- iii. Certified copies of the order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction over the Transferor Companies and the Transferee Company.
- iv. The requisite consent, approval or permission of any Appropriate Authority or any other Person which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.

17.2 Accordingly, it is provided that the Scheme, although effective from the Appointed Date, shall become operative from the Effective Date.

18. COSTS, CHARGES AND EXPENSES:

All costs, charges and expenses in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company. In the event the Scheme does not take effect or stands withdrawn for any reasons whatsoever, each company shall pay and bear their own costs.

19. RESIDUAL PROVISIONS:

19.1 On the approval of the Scheme by the shareholders of the Transferor Companies and the Transferee Company and such other classes of persons, if any, as required or directed by the Tribunal, pursuant to Sections 230 to 232 of the Act, it shall be deemed that such shareholders and classes of persons, as the case may be, have also accorded all relevant consents under any other provisions of the Act to the extent the same may be considered applicable.



19.2 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.



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For SHREE CEMENT LTD.

(S.S. Bhargava)
Company Secretary