

**SCHEME OF ARRANGEMENT**  
**UNDER SECTIONS 230 to 232 READ WITH SECTION 66 AND OTHER**  
**APPLICABLE PROVISIONS OF**  
**THE COMPANIES ACT, 2013 AND RELEVANT RULES MADE THEREUNDER**  
**AMONGST**  
**MANAKSIA LIMITED (DEMERGED COMPANY)**  
**AND**  
**MANAKSIA FERRO INDUSTRIES LIMITED (RESULTING COMPANY)**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**

**A. BACKGROUND OF THE COMPANIES**

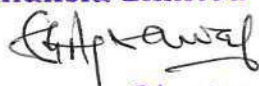
- i. Manaksia Limited, the “Demerged Company,” is a public listed company incorporated under the provisions of the Indian Companies Act, 1956 under the corporate identity number L74950WB1984PLC038336. The Demerged Company is engaged, *inter alia*, either directly or through subsidiaries and/or step down subsidiaries in following businesses:
  - a) packaging products business through overseas subsidiary;
  - b) roofing sheets business through overseas subsidiary;
  - c) paper business through overseas step down subsidiary;
  - d) metal products business conducted directly and through domestic step down subsidiary; and
  - e) Trading in machines, machine spare parts and other products.
- ii. Manaksia Ferro Industries Limited, the “Resulting Company”, is an unlisted public company incorporated under the provisions of the Companies Act, 1956 under the corporate identity number U27100WB2010PLC144410. The Resulting Company has been incorporated with an objective to engage, *inter alia*, in business of ferro alloys and ferrous metals. The Resulting Company is a wholly owned subsidiary of the Demerged Company and has a subsidiary namely Mark Steels Limited which is engaged in the business of manufacture of sponge iron.

**B. OVERVIEW AND OPERATION OF THIS SCHEME**

This Scheme provides for:

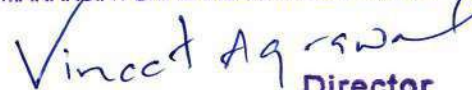
- i. the demerger, transfer and vesting of the Demerged Undertaking (as defined hereinafter in Part I) from the Demerged Company to the Resulting Company (as defined hereinafter in Part I) on a going concern basis, and the consequent issue of equity shares by the Resulting Company (as defined hereinafter in Part I) in the

**For Manaksia Limited**

  
**Director**

Page 1 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**

  
**Director**

- manner set out in this Scheme (as defined hereinafter in Part I) and other applicable provisions of Applicable Law;
- ii. the consequent reduction of the equity share capital of the Resulting Company in the manner set out in this Scheme, and in accordance with Sections 230 to 232 read with Section 66, and other applicable provisions of the Act.
- C.** The Demerged Company will continue to pursue its interests in and carry on the Remaining Business (as defined hereinafter in Part I) as is presently being carried on, on a going concern basis.

#### **D. PARTS OF THIS SCHEME**

This Scheme is divided into the following parts:

- i. **PART I** deals with the definitions of capitalized terms used in this Scheme and the equity share capital of the Demerged Company, the Resulting Company;
- ii. **PART II** deals with the transfer and vesting of the metal products business conducted directly and through domestic step-down subsidiary including investment in Manaksia Ferro Industries Ltd. from the Demerged Company into the Resulting Company and the consideration thereof;
- iii. **PART III** deals with the reduction and cancellation of the existing equity share capital of the Resulting Company;
- iv. **PART IV** deals with the general terms and conditions that would be applicable to this Scheme.

#### **E. RATIONALE FOR THIS SCHEME**

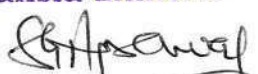
The different / independent businesses of the Demerged Company have different industry specific risks, business cycles and operate, *inter alia*, under different market dynamics and thus can attract different types of investors as well as management teams for their respective businesses and follow different and independent strategies, even as they all have a significant potential for growth and profitability.

Given its diversified business portfolio, it has become imperative for the Demerged Company to re-orient and re-organize itself in a manner that allows it to impart greater focus, management alignment and growth for each of its independent business lines. The Demerged Company is also desirous of enhancing its operational efficiency, flexibility in attracting capital through a restructuring.

The Scheme, therefore, proposes to re-organise and segregate the interest of the Demerged Company primarily in the Metal Products Business and thus proposes demerger of the Metal Products Business to the Resulting Company.


The Demerged Company will continue to conduct the Remaining Business.

**For Manaksia Limited**

  
**Director**

Page 2 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**

  
**Director**



The proposed restructuring pursuant to this Scheme is expected, *inter alia*, to result in following benefits:

- i. segregation and unbundling of the Metal Products Business into the Resulting Company;
- ii. unlocking of value for the shareholders of the Demerged Company;
- iii. emergence of the Demerged Company mainly as a predominantly focused company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth for the Remaining Business;
- iv. creation of a listed company predominantly focused on Metal Products Business with ability to achieve valuation based on metal industry related risk return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital as well as attracting right talent;
- v. achieve cost optimisation and specialisation for sustained growth;
- vi. allowing the management of the Resulting Company to pursue independent growth strategies in regional, national and overseas markets;
- vii. augmenting the infrastructural capability of the Resulting Company to effectively meet future challenges in their businesses;
- viii. enhancing operational efficiencies, ensuring synergies through pooling of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies.

The proposed restructuring is in the interest of the shareholders, creditors, employees and other stakeholders in each of the companies.

## PART I

### DEFINITIONS AND SHARE CAPITAL

#### 1 DEFINITIONS

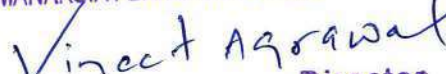
In this Scheme, unless inconsistent with the subject or context thereof (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) subject to (iii) below, all terms and words not defined in this Scheme shall have the same meaning ascribed to them under Applicable Laws; and (iv) the following expressions shall have the following meanings:

- 1.1 "**Act**" means the Companies Act, 2013 and shall include any other statutory amendments or re-enactment or restatement and the rules and/or regulations and/or other guidelines or notifications under Applicable Laws, made thereunder from time to time;
- 1.2 "**Appointed Date**" means the Effective Date as defined hereinafter in the Scheme or such other date as may be decided by the respective Board of the Demerged Company and the Resulting Company under the relevant provisions of the Act, subject to approval by the jurisdictional National Company Law Tribunal.

For Manaksia Limited

  
Director

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director



1.3 **"Applicable Law"** means any applicable central, provincial, local or other laws 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 Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties and shall include, without limitation, the listing agreement executed with the Stock Exchanges in the case of the Demerged Company;

1.4 **"Appropriate Authority"** means:

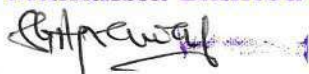
- (a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;
- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) SEBI (as defined hereinafter), the Tribunal (as defined hereinafter); and
- (d) any Stock Exchanges (as defined hereinafter below).

1.5 **"Board"** in relation to the Demerged Company and/or the Resulting Company, as the case may be, shall mean the board of directors of such company, and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the transfer and demerger, this Scheme or any other matter relating thereto;

1.6 **"Demerged Undertaking"** or **"Metal Product Business"** means the metal products business conducted directly and through domestic step-down subsidiary, namely Mark Steels Limited, and ancillary and support services in relation thereto of the Demerged Company, and all assets, all investments including investment in Manaksia Ferro Industries Limited and liabilities relating thereto and shall include (without limitation):

all the movable and immovable properties, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent including all, plant and machinery, equipment, furniture, fixtures, vehicles, inventories, stock-in-trade or stock-in-transit and merchandising including raw materials, supplies, finished goods, leasehold assets and other properties, including contingent assets of whatsoever nature, cash in hand/ banks, investments, claims, powers, authorities, rights, credits, titles, interests, benefits, right to use and avail of

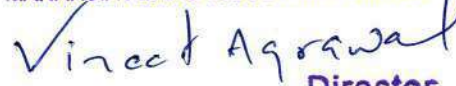
For Manaksia Limited



Director

Page 4 of 26

MANAKSIA FERRO INDUSTRIES LIMITED



Director



telephones, telex, facsimile, email, internet, leased lines and other communication facilities, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds and benefits(including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, all receivables (including royalty receivables), loans and advances also including accrued interest thereon, all advance payments, earnest monies and/ or security deposits, or other entitlements of the Demerged Company, and also, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company, all the debts, liabilities, duties and obligations of any kind, nature or description including contingent liabilities of the Demerged Company in relation to and pertaining to the metal products business;

all receivables (including royalty receivables), loans and advances, including accrued interest thereon, all advance payments, earnest monies and/ or security deposits, or other entitlements of the Demerged Company in relation to and pertaining to the metal products business;

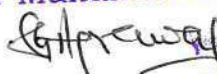
all goodwill, other intangibles, industrial and other licenses, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to and pertaining to the metal products business;

investments in shares, debentures and other securities held by the Demerged Company in the Resulting Company(i.e. investment in Manaksia Ferro Industries Limited);

all the debts, liabilities, duties and obligations of any kind, nature or description including contingent liabilities of the Demerged Company in relation to and pertaining to the Demerged Undertaking business. It is clarified that any question as to whether or not a specified liability pertains to the metal products business shall be decided by the Demerged Company, with requisite approvals of Appropriate Authorities, wherever applicable; and

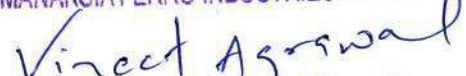
all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses,

**For Manaksia Limited**

  
**Director**

Page 5 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**

  
**Director**



drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the metal products business of the Demerged Company.

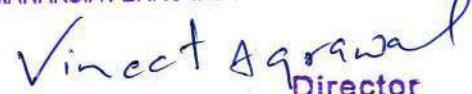
It is clarified that the question of whether a specified asset or liability pertains to the Demerged Undertaking or arises out of the activities or operations of the Demerged Undertaking shall be decided by the Board of the Demerged Company.

- 1.7 **Demerged Company** means Manaksia Limited, a public listed company incorporated under the provisions of the Indian Companies Act, 1956 under the corporate identity number L74950WB1984PLC038336 and having its registered office at Turner Morrison Building, 6 Lyons Range, Mezzanine Floor, North-West Corner, Kolkata - 700001;
- 1.8 **Effective Date** means the later of the dates on which (i) the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinafter referred to have been obtained or passed and (ii) the certified copies of the Order(s) sanctioning this scheme of arrangement are filed with the Registrar of Companies, West Bengal, by the Resulting Company and Demerged Company. Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Upon the Scheme becoming effective" shall mean the Effective Date;
- 1.9 **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, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term "Encumber" shall be construed accordingly;
- 1.10 **INR** means Indian Rupee, the lawful currency of the Republic of India;
- 1.11 **Parties** shall mean collectively the Demerged Company, the Resulting Company and **Party** shall mean each of them, individually;
- 1.12 **Permits** means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law;

For Manaksia Limited

  
Director

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director

- 1.13 **"Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;
- 1.14 **"Record Date"** in relation to Part II means the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issue of the new equity shares, pursuant to this Scheme.;
- 1.15 **"Remaining Business"** means all manufacturing activities relating to (i) packaging products business through overseas subsidiary (ii) roofing sheets business through overseas subsidiary (iii) paper business through overseas step down subsidiary and (iv) Trading in machines, machine spare parts and other products shall be the business of the Demerged Company and includes all other businesses, units, divisions, undertakings and assets and liabilities of the Demerged Company save and except those forming part of the Demerged Undertaking;
- 1.16 **"Resulting Company"** means Manaksia Ferro Industries Limited, a public company incorporated under the provisions of the Companies Act, 1956 under the corporate identity number U27100WB2010PLC144410, having its registered office at Turner Morrison Building, 6 Lyons Range, Mezzanine Floor, North-West Corner, Kolkata - 700001, India. The Resulting Company is a wholly owned subsidiary of the Demerged Company;
- 1.17 **"ROC"** means the relevant Registrar of Companies having jurisdiction over the Demerged Company, the Resulting Company as the case may be;
- 1.18 **"Scheme"** means this scheme of arrangement, with or without any modification approved or imposed or directed by the Tribunal;
- 1.19 **"SEBI"** means the Securities and Exchange Board of India;
- 1.20 **"SEBI Circular"** shall mean the circular issued by the SEBI, being Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and any amendments thereof, modifications issued pursuant to regulations 11 and 37, wherever applicable, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 1.21 **"Stock Exchanges"** means BSE Limited (**"BSE"**) and National Stock Exchange of India Limited (**"NSE"**), as the case may be;
- 1.22 **"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 or



otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Demerged Company, the Resulting Company, or any other Person and all penalties, charges, costs and interest relating thereto;

1.23 **"Tax Laws"** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

1.24 **"Tribunal"** means the National Company Law Tribunal having jurisdiction over the Demerged Company, the Resulting Company, as the case may be.

1.25 In this Scheme, unless the context otherwise requires:

1.25.1 words denoting singular shall include plural and vice versa;

1.25.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

1.25.3 references to the word "include" or "including" shall be construed without limitation;

1.25.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

1.25.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;

1.25.6 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and

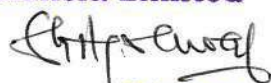
1.25.7 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

## 2 SHARE CAPITAL

2.1 The share capital of the Demerged Company as on 31<sup>st</sup> March, 2024 is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
7,00,00,000 equity shares of INR 2 each	14,00,00,000/-
12,50,000 Preference Shares of INR 20 each	2,50,00,000/-
<b>Total</b>	16,50,00,000/-
<b>Issued Capital</b>	
6,55,34,050 equity shares of INR 2 each	13,10,68,100/-
<b>Total</b>	13,10,68,100/-
<b>Subscribed and Paid-Up Capital</b>	
6,55,34,050 equity shares of INR 2 each	13,10,68,100/-
<b>Total</b>	13,10,68,100/-

For Manaksia Limited

  
Director

Page 8 of 26

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director



Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Demerged Company till the date of approval of the Scheme by the Board of the Demerged Company.

The equity shares of the Demerged Company are listed on the Stock Exchanges.

2.2 The share capital of the Resulting Company as on 31<sup>st</sup> March, 2024\* is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
30,50,000 equity shares of INR 10 each*	3,05,00,000/-*
<b>Total</b>	3,05,00,000/-
<b>Issued, Subscribed and Paid-up Capital</b>	
30,50,000 equity shares of INR 10 each**	3,05,00,000/-
<b>Total</b>	3,05,00,000/-

\* Subsequent to the above date, with effect from 10<sup>th</sup> March 2025, there has been an increase in the authorised capital and sub-division of the face value as under:

30,50,000 equity shares of INR 10 each into 7,00,00,000 equity shares of INR 1 each.

\*\* Consequent to the above sub-division in the face value of equity shares from INR 10 to INR 1, the issued, subscribed and paid up capital of the Resulting Company is as under:

3,05,00,000 equity shares of INR 1 each aggregating INR 3,05,00,000.

Subject to the above, there has been no change in the issued, subscribed and paid-up share capital of the Resulting Company till the date of approval of the Scheme by the Board of the Demerged Company.

The Resulting Company is a wholly owned subsidiary of the Demerged Company. The equity shares of the Resulting Company are not listed on any stock exchanges in India or on any other stock exchange elsewhere.

### 3 DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 18 and other applicable clause of this Scheme, shall become effective from Appointed Date, but shall be operative from the Effective Date.

For Manaksia Limited

*[Signature]*  
Director

MANAKSIA FERRO INDUSTRIES LIMITED

*[Signature]*  
Director

## PART II

### DEMERGER AND VESTING OF METAL PRODUCTS BUSINESS UNDERTAKING

#### 4 DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

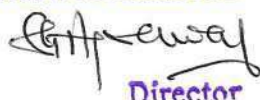
4.1 With effect from the opening business hours of Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 read with Section 66 of the Act and Section 2(19AA) of the Income-tax Act, 1961, the Demerged Undertaking along with all its assets, liabilities, investments, contracts, arrangements, employees, Permits, licences, records, approvals, etc. shall, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and be vested in or be deemed to have been vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Resulting Company by virtue of, and in the manner provided in this Scheme.

The date of entitlement/ownership of the Resulting Company relating to all assets, properties, leasehold land, right, benefits, approvals, ownership, title, powers, interests, authorities, commitments, licenses, privileges, liberties of the Demerged Undertaking will be from the date to which the Demerged Company was entitled and it will be treated that the same has been entered into with the Resulting Company and the Resulting Company will step into the shoes of the Demerged Company relating to the Demerged Undertaking.

4.2 In respect of such of the assets and properties forming part of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by the Demerged Company upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company.

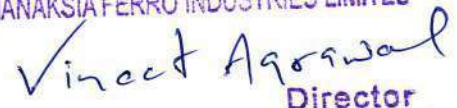
4.3 Subject to Clause 4.4 below, with respect to the assets of the Demerged Undertaking, other than those referred to in Clause 4.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Demerged Company, shall, without any further act, instrument or deed, be transferred to and vested

For Manaksia Limited

  
Director

Page 10 of 26

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director



in and/ or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission or as the case may be in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

- 4.4 Without prejudice to the aforesaid, the Demerged Undertaking, including all immoveable property, whether or not included in the books of the Demerged Company, whether freehold or leasehold (including but not limited to land, buildings, sites, tenancy rights related thereto and immovable properties and any other document of title, rights, interest and easements in relation thereto) of the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company.
- 4.5 The Demerged Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes.
- 4.6 Upon the Scheme becoming effective, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking (hereinafter referred to as "**Transferred Demerged Undertaking Liabilities**") shall, without any further actor deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date and the Resulting Company shall meet, discharge and satisfy the same. The term "Transferred Demerged Undertaking Liabilities" shall include:
- 4.6.1 the debts, liabilities, obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
- 4.6.2 the specific loans or borrowings (including debentures bonds, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking; and
- 4.6.3 in cases other than those referred to in Clauses 4.6.1 or 4.6.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

However, the tax liabilities and tax demands or refunds received or to be received by the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Company shall not be transferred as part of the Demerged Undertaking to Resulting Company.

For Manaksia Limited

  
Director

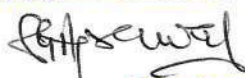
Page 11 of 26

MANAKSIA FERRO INDUSTRIES LIMITED  
  
Director



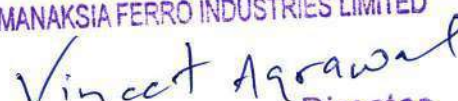
- 4.7 In so far as any Encumbrance in respect of Transferred Demerged Undertaking Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be modified and, if so agreed, shall be extended to and shall operate over the assets of the Resulting Company. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the Transferred Demerged Undertaking Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.
- 4.8 Taxes, if any, payable by the Demerged Company after the Appointed Date and specifically pertaining to the Demerged Undertaking shall be treated as payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same if paid by the Resulting Company as may be applicable.
- 4.9 If the Demerged Company is entitled to any unutilized credits (including balances or advances), benefits under the incentive schemes and policies including tax holiday or concessions relating to the Demerged Undertaking under any Tax Laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission.
- 4.10 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 4.11 Subject to Clause 4.2 and any other provisions of the Scheme, any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

**For Manaksia Limited**

  
Director

Page 12 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**

  
Director



- 4.12 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.
- 4.13 Without prejudice to the provisions of the foregoing sub clauses of this Clause 4, and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall be entitled to apply to the Appropriate Authorities as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require and execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any authority or Person to give effect to the Scheme.

## 5 PERMITS

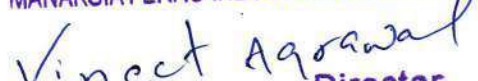
- 5.1 With effect from the Appointed Date, Permits relating to the Demerged Undertaking shall be transferred to and vested in the Resulting Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Resulting Company on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations pertaining to the Demerged Undertaking in the Resulting Company without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company.
- 5.2 The benefit of all Permits pertaining to the Demerged Undertaking shall without any other order to this effect, transfer and vest into and become available to the Resulting Company pursuant to the sanction of this Scheme.

For Manaksia Limited

  
Director

Page 13 of 26

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director



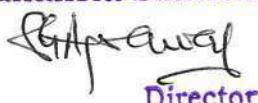
## 6 CONTRACTS

- 6.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments in relation to the Demerged Undertaking, to which the Demerged Company is a party and which is subsisting or having effect on or immediately before the Appointed Date shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party or beneficiary or obligee thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above and, if required, cause such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above to be formally taken on record/recognised by the Appropriate Authorities.
- 6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, 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 Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. With effect from the Appointed Date, the Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.
- 6.3 On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.

## 7 EMPLOYEES

- 7.1 With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the terms and conditions not less favourable than those on which the Demerged Company has engaged them. The Resulting Company undertakes to continue to abide by any

For Manaksia Limited

  
Director

Page 14 of 26

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director



agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retirement/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking, be decided by the Demerged Company, and shall be final and binding on all concerned.

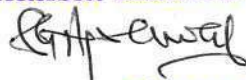
7.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such gratuity fund and superannuation funds nominated by the Resulting Company and/ or such new gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company. Pending the transfer as aforesaid, the gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing gratuity fund and superannuation fund respectively of the Demerged Company.

7.3 In so far as provident fund is concerned, the balances standing to the credit of the said employees in the existing provident fund of the Demerged Company shall be retained in such provident fund and such provident fund shall be continued for the benefit of: (a) the said employees who are transferred to the Resulting Company, as aforesaid, and (b) other employees of the Demerged Company. In relation to said employees being transferred, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions thereof. The rules of such existing provident fund shall stand amended accordingly. The employees of the Demerged Company engaged in or in relation to the Demerged Undertaking who are transferred to the Resulting Company, as aforesaid, shall be deemed to constitute a separate class of employees of the Resulting Company for the purpose of compliance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

## 8 LEGAL PROCEEDINGS

8.1 Upon the coming into effect of this Scheme, proceedings relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

For Manaksia Limited

  
Director

Page 15 of 26

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director

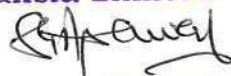


- 8.2 The Resulting Company: (a) shall be replaced/added as party to such proceedings relating to the Demerged Undertaking; and (b) shall prosecute or defend such proceedings at its own cost and the liability of the Demerged Company shall consequently stand nullified.

## 9 CONSIDERATION

- 9.1 After effectiveness of the Scheme and upon Part II of the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company, 1 (One) fully paid up equity share of the face value of INR 1 (Indian Rupee One) each of the Resulting Company for every 1 (One) equity share of the face value of INR 2 (Indian Rupees Two) each in the Demerged Company held by such shareholder whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date.
- 9.2 The equity shares of the Resulting Company to be issued and allotted as provided in Clause 9.1 above shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company, as the case may be, and shall rank pari-passu in all respects with any existing equity shares of the Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.
- 9.3 The issue and allotment of equity shares as provided in Clause 9.1 is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, as the case may be, pursuant to the aforesaid Clause 9.1.
- 9.4 The Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. All those equity shareholders who hold shares of the Demerged Company in physical form shall receive the Resulting Company New Equity Shares in dematerialised form only, provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date.

**For Manaksia Limited**

  
**Director**

Page 16 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**  
  
**Director**



If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, the Resulting Company shall issue and allot such shares in lieu of the Equity Shares entitlement of such shareholders, into a demat suspense account, which shall be operated by one of the directors of the Resulting Company, duly authorised in this regard, for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company and/or its registrar, if permitted under Applicable Law.

9.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company, shall be empowered prior to or even subsequent to the Demerger Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the Equity Shares issued by the Resulting Company after the Scheme is effected. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.

9.6 The equity shares to be issued by the Resulting Company pursuant to Clause 9.1 above in respect of such equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also shall be kept in abeyance by the Resulting Company.

9.7 In the event that the Parties restructure their equity share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the share exchange ratio, as per Clause 9.1 above; shall be adjusted (including stock options) accordingly to take into account the effect of any such corporate actions.

9.8 The Resulting Company shall apply for listing all of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The equity shares allotted by the Resulting Company in terms of Clause 9.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.

9.9 The issue and allotment of equity shares, pursuant to Clause 9.1 above is an integral part of this Scheme. The approval of this Scheme by the members of the

For Manaksia Limited

  
Director

Page 17 of 26

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director



Resulting Company shall be deemed to be due compliance with Section 42, 62(1)(c) of the Act and other applicable provisions of the Act.

- 9.10 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges and SEBI.

## **10 ACCOUNTING TREATMENT BY THE DEMERGED COMPANY AND THE RESULTING COMPANY IN RESPECT OF THEIR RESPECTIVE ASSETS AND LIABILITIES**

The Demerged Company and the Resulting Company shall account for the Scheme in their respective books/ financial statements upon receipt of all relevant/ requisite approvals for the Scheme, in compliance with applicable Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

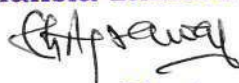
### **10.1 Accounting treatment in the books of the Demerged Company**

- 10.1.1 The Demerged Company shall, upon the Scheme becoming effective, reduce the carrying values of the assets and book value of liabilities of the Demerged Undertaking vested in the Resulting Company pursuant to this Scheme at their respective book values as on the Effective Date;
- 10.1.2 Inter-company balances and transactions between the Resulting Company and the Demerged Undertaking of the Demerged Company, if any, including inter- company investments shall stand cancelled; and
- 10.1.3 The difference, being the excess of the carrying value of assets over the book value of the liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to this Scheme after giving effect to Clause 10.1.2 shall be recognized in 'Other Equity', and will be adjusted to the balance in Retained Earnings of the Demerged Company.

### **10.2 Accounting treatment in the books of the Resulting Company**

- 10.2.1 The Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking , transferred to and vested in it, pursuant to this Scheme at their respective carrying values and book value as appearing in the books of the Demerged Company;
- 10.2.2 Inter-company balances between the Demerged Company and the Resulting Company shall stand cancelled;
- 10.2.3 The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued by it to the members of the Demerged Company pursuant to Clause 9.1 of this Scheme;
- 10.2.4 The difference, being the Net Assets transferred from the Demerged Company pursuant to Clause 10.2.1 as reduced by the share capital issued pursuant to Clause 10.2.3, netted by the existing share capital cancelled in terms of

**For Manaksia Limited**

  
**Director**

Page 18 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**

  
**Director**



Clause 11.1 below shall be adjusted to the balance in Retained Earnings of the Resulting Company;

- 10.2.5 For the purpose of the Clause 10, "Net Assets" would mean difference between the carrying value of assets and book value of liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme.


### **PART III**

#### **REDUCTION AND REORGANISATION OF SHARE CAPITAL OF THE RESULTING COMPANY**

##### **11 REDUCTION AND CANCELLATION OF CERTAIN EQUITY SHARES OF THE RESULTING COMPANY**

- 11.1 Simultaneously with the issuance and allotment of the equity shares by the Resulting Company in accordance with the Clause 9 of PART II, the initial issued and paid-up equity share capital of the Resulting Company as held by the Demerged Company and its nominees (hereinafter referred to as "**Resulting Company Cancelled Shares**") shall be cancelled. The share certificates held by the Demerged Company and its nominees representing the equity shares in the Resulting Company shall be deemed to be cancelled, extinguished and annulled and the paid up equity capital of the Resulting Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of equity share capital of the Resulting Company, pursuant to Section 66 of the Act as also any other applicable provisions of the Act.
- 11.2 The aforesaid reduction of the equity share capital of the Resulting Company shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 of the Act separately and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.
- 11.3 On effecting the reduction of the equity share capital as stated in Clause 11.1 above, the share certificates in respect of the Resulting Company Cancelled Shares held by their respective holders shall also be deemed to have been cancelled.
- 11.4 On the Effective Date, the Resulting Company shall debit its equity share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares.
- 11.5 The capital reserve in the books of the Resulting Company shall be increased to the extent of the amount of the Resulting Company Cancelled Shares.

**For Manaksia Limited**

  
**Director**

Page 19 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**

  
**Director**

## **PART IV**

### **GENERAL TERMS & CONDITIONS**


#### **12 REMAINING BUSINESS**

- 12.1 The Remaining Business and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company.
- 12.2 All legal, Taxation and/ or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced against the Demerged Company.
- 12.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 12.2 above relating to the Remaining Business, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- 12.4 If proceedings are taken against the Demerged Company in respect of matters referred to in Clause 12.2 above relating to the Demerged Undertaking, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the said the Resulting Company and the latter shall reimburse and indemnify the Demerged Company, against all liabilities and obligations incurred by the Demerged Company in respect thereof.

#### **13 DIVIDENDS**

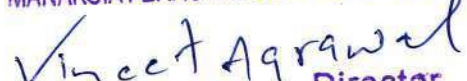
- 13.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended / declared only by the mutual consent of the concerned Parties.
- 13.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Demerged Company and/or the Resulting Company to demand or claim or be entitled to any dividends which,

**For Manaksia Limited**

  
**Director**

Page 20 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**

  
**Director**



subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Demerged Company and/ or the Resulting Company as the case may be, and subject to approval, if required, of the shareholders of the Demerged Company and/ or the Resulting Company as the case may be.

#### **14 CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE**

14.1 With effect from the date of approval of this Scheme by the respective Boards of the Parties and up to and including the Effective Date:

14.1.1 The Demerged Company with respect to the Demerged Undertaking shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:

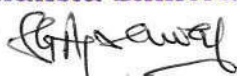
- a. when the same is expressly provided in this Scheme; or
- b. when the same is in the ordinary course of business as carried on, as on the date of filing of this Scheme in the Tribunal; or

14.1.2 The Demerged Company with respect to the Demerged Undertaking shall not alter or substantially expand its business or undertake (i) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business, except with the written concurrence of the Resulting Company;

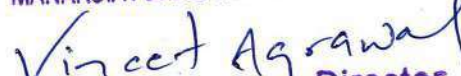
14.1.3 The Demerged Company with respect to the Demerged Undertaking shall not vary the terms and conditions of employment of any of its employees, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken except with the written concurrence of the Resulting Company, as the case may be;

14.2 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Demerged Undertaking and to give effect to the Scheme.

For Manaksia Limited

  
Director

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director




14.3 For the purpose of giving effect to the order passed under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company shall, at anytime pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking, in accordance with the provisions of Sections 230 to 232 read with Section 66 of the Act. The Resulting 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 Section 232 of the Act in respect of this Scheme, the Resulting 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 Resulting Company as the case may be 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 Resulting Company as the case may be. It is clarified that the Resulting 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.

## 15 FACILITATION PROVISIONS

- 15.1 Immediately upon the Scheme being effective, the Demerged Company and the Resulting Company shall enter into shared services agreements as may be necessary, *inter alia* in relation to use by the Resulting Company of office space, infrastructure facilities, information technology services, security personnel, legal, administrative and other services, etc. of the Demerged Company on such terms and conditions that may be agreed between the Parties and on payment of consideration on an arm's length basis and which are in the ordinary course of business.
- 15.2 It is clarified that approval of the Scheme by the shareholders of the Demerged Company and the Resulting Company under sections 230 to 232 read with Section 66 of the Act shall be deemed to have their approval under Sections 13, 14, 62, 188 and other applicable provisions of the Act and Regulation 23 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that no separate approval of the Board or audit committee or shareholders shall be required to be sought by the Demerged Company or the Resulting Company.

For Manaksia Limited

  
Director

Page 22 of 26

MANAKSIA FERRO INDUSTRIES LIMITED  
  
Director



- 15.3 It is clarified that all guarantees provided by the Demerged Company in respect of the Demerged Undertaking shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company.

## **16 PROPERTY IN TRUST**

- 16.1 Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom and pertaining to the Demerged Undertaking are transferred, vested, recorded, effected and/ or perfected, in the records of the Appropriate Authority(ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company shall be deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and / or the asset, license, permission, approval as the case may be in trust on behalf of the Resulting Company, as the case may be.

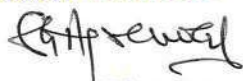
## **17 APPLICATIONS/ PETITIONS TO THE TRIBUNAL**

- 17.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law and shall apply for such approvals as may be required under Applicable Law.
- 17.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Demerged Company, the Resulting Company may require to own the assets and/ or liabilities of the Demerged Undertaking and to carry on the business of the Demerged Undertaking, as the case may be.

## **18 MODIFICATION OR AMENDMENTS TO THIS SCHEME**

- 18.1 On behalf of each of the Demerged Company and the Resulting Company, the Board of the respective companies acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and

**For Manaksia Limited**

  
Director

Page 23 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**  
  
Director

for any reason whatsoever or to any conditions or limitations that the SEBI, Stock Exchanges, Tribunal or any other Appropriate Authority(ies) may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Boards of the Demerged Company, the Resulting Company and / or such other authorised person(s) by the respective board) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

18.2 For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Demerged Company and the Resulting Company acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. It is clarified that individual companies acting themselves or through authorized persons may individually approach the Tribunal or any other Appropriate Authority to seek clarifications for implementation of the Scheme.

18.3 It is clarified that if any modifications are required post satisfaction of the conditions precedent mentioned in Clause 19 and the Scheme having been made effective, the Effective Date shall not be affected by any such modifications that might be required to be made and the Effective Date for such modified Scheme shall be same as the date on which Scheme was made effective prior to the modifications.

## **19 CONDITIONS PRECEDENT**


19.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

19.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular;

19.1.2 approval of the Scheme by the requisite majority of each class of shareholders and creditors of the Demerged Company and the Resulting Company, as applicable, and such other classes of persons of the said Companies, if any, as applicable or as may be required under the Act and / or as may be directed by the Tribunal;

19.1.3 the Demerged Company complying with other provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting; and

**For Manaksia Limited**

  
**Director**

Page 24 of 26

**MANAKSIA FERRO INDUSTRIES LIMITED**  
  
**Director**




- 19.1.4 the sanctions and orders of the Tribunals, under Sections 230 to 232 read with Section 66 of the Act being obtained by the Demerged Company and the Resulting Company.
- 19.2 Certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the ROC having jurisdiction over the Parties.
- 19.3 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Demerged Company, the Resulting Company may have under or pursuant to all Applicable Laws.
- 19.4 On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company and such other classes of Persons of the said Companies, if any, pursuant to Clause 19.1.2, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, capital reduction set out in this Scheme, related matters and this Scheme itself.

## **20 EFFECT OF NON-RECEIPT OF PERMITS AND MATTERS RELATING TO REVOCATION/ WITHDRAWAL OF THIS SCHEME**

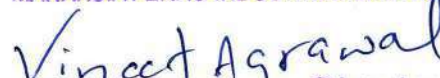
- 20.1 The Demerged Company and the Resulting Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any Appropriate Authority is unacceptable to any of them; or (b) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.
- 20.2 If this Scheme is not effective within such period as may be mutually agreed upon between the Demerged Company and the Resulting Company through their respective Boards or their authorised representatives, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.
- 20.3 In the event of revocation/ withdrawal under Clause 20.1 or above, no rights and liabilities whatsoever shall accrue to or be incurred inter-se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

For Manaksia Limited

  
Director

Page 25 of 26

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director

20.4 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company through their respective Boards, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

20.5 Further, it is the intention of the Parties that each part shall be severable from the remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

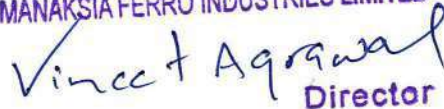
## 21 COSTS AND TAXES

The Demerged Company shall bear all the costs, stamp duty, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme.

For Manaksia Limited

  
Director

MANAKSIA FERRO INDUSTRIES LIMITED

  
Director