

COMPOSITE SCHEME OF AMALGAMATION

UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

OF

NIRANI SUGARS LIMITED

(Transferor Company 1)

AND

MRN CANE POWER INDIA LIMITED

(Transferor Company 2)

AND

SHRI SAI PRIYA SUGARS LIMITED

(Transferor Company 3)

AND

BADAMI SUGARS LIMITED

(Transferor Company 4)

AND

SHREE KEDARNATH SUGAR AND AGRO PRODUCTS LIMITED

(Transferor Company 5)

AND

MRN CHAMUNDI CANE POWER AND BIO-REFINERIES PRIVATE LIMITED

(Transferee Company)

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



A. DESCRIPTION AND BACKGROUND OF THE COMPANIES

1. **Nirani Sugars Limited (CIN: U15421KA1995PLC019340)** is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at Kulali Cross Jamkhandi Mudhol Dist. Bagalkot Mudhol 587313 Karnataka (hereinafter referred to as the “**Transferor Company 1**” or “**NSL**”). The Transferor Company 1 was incorporated with the main objects of carrying on the business of purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally deal in sugar, sugar-candy, jaggery, sugar-beet, sugarcane, bagasse, molasses and all sugar products.

The Transferor Company 1 is engaged in the business of manufacture of sugar and generation of power.

2. **MRN Cane Power India Limited (CIN: U15420KA2011PLC057254)** is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at No. 342, Kallapur (S.K.), Khanapur (S.K.), Taluk Badami Bagalkot 587155 Karnataka (hereinafter referred to as the “**Transferor Company 2**” or “**MRN**”). The Transferor Company 2 was incorporated with the main objects of carrying on the business of purchase, manufacture and deal in all kinds and classes of sugar, cane sugar, beet sugar, starch sugar, gur, khandasari sugar and jaggery, all kinds of sugar products, sugar candy, glucose, confectionery and canned fruits, sugar cane, bagasse, molasses, yeast and other fermentations, syrups and alcohol, all alcoholic substance, acetone, spirits, starch and all products or by-products. It is also engaged in the distillery business, brewers, mallers, compounders, dealers in all kinds of spirits and alcohol liquors like rum, whisky, brandy and beer, special syrups, fermentation of organic and inorganic chemicals and generation and distribution of power.

The Transferor Company 2 is engaged in the business of manufacture of sugar and generation of power.

3. **Shri Sai Priya Sugars Limited (CIN: U15429KA2002PLC030008)** is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at Gopal Chember, Opp. Bus Stand Jamakandi Dist. Bagalkot 587301 Karnataka (hereinafter referred to as the “**Transferor Company 3**” or “**SSPSL**” or “**Resulting Transferor Company 3**”, as the context may require). The Transferor Company 3 was incorporated with the main objects of carrying on the business of purchase, manufacture and deals in all kinds and classes of sugar, cane sugar, beet sugar, starch sugar, gur, khandasari sugar and jaggery, all kinds of sugar products, sugar candy, glucose, confectionery and canned fruits, sugar cane, bagasse, molasses, yeast and other fermentations, syrups and alcohol, all alcoholic substances, acetone, spirits, starch and all products or by-products.

The Transferor Company 3 is engaged in the business of manufacture of sugar and generation of power.

4. **Badami Sugars Limited (CIN: U15429KA2002PLC029955)** is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at Chalukya Nagar, Taluk Badami Bagalkot 587201 Karnataka (hereinafter referred to as the “**Transferor Company 4**” or “**BSL**”). The Transferor Company 4 was acquired by SSPSL under the Insolvency and Bankruptcy Code,

The Transferor Company 4 is engaged in the business of manufacture of sugar and generation of power.

5. **Shree Kedarnath Sugar and Agro Products Limited** (CIN: **U51229KA2001PLC160580**) is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at Kulali Cross Jhamkhandi Mudhol Dist. Bagalkot Mudhol 587313 Karnataka (hereinafter referred to as the “**Transferor Company 5**” or ‘**KSL**’). The Transferor Company 5 was acquired by SSPSL under the Insolvency and Bankruptcy Code, 2016 and is engaged in the business of production and dealing in sugar and sugar related products and is involved in cogeneration of power. Kedarnath Sugar is a wholly owned subsidiary of SSPSL.

The Transferor Company 5 is engaged in the business of manufacture of sugar and generation of power.

6. **MRN Chamundi Cane Power and Bio-Refineries Private Limited** (CIN: **U15424KA2020PTC142790**) is a private limited company incorporated under the provisions of Companies Act, 2013 having its registered office at Survey No. 166, Kulali Cross, Jamkhandi Mudhol Road, Bagalkot Karnataka 587313 (Hereinafter referred to as the “**Transferee Company**”). The Transferee Company is authorised by its memorandum of association to carry on the business of purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally deal in sugar including cane sugar, beet sugar, maple sugar, khandasari sugar in the form of powder, granules, cubes & limps and its products, by-products, residues, derivatives, formulations, substances and materials including glucose, sucrose, fructose, lactose, maltose molasses, confectioneries, chocolates, sugar candy, bagasse boards, paper, paper pulp, alcohol, ethanol, acetone, carbon-dioxide, hydrogen, potash, cane wax, fertilizers, sanitizer, cattle feed and food products generally.

B. RATIONALE OF THE COMPOSITE SCHEME

1. Transferor Company 4 and Transferor Company 5 have been acquired under the Insolvency and Bankruptcy Code, 2016, by the Transferor Company 3. These Transferor Company 4 and Transferor Company 5 are engaged in the business of sugar and power cogeneration.
2. Transferor Company 4 and Transferor Company 5 are wholly owned subsidiaries of the Transferor Company 3, and their business is aligned with the business of the Transferor Company 3.
3. The Parties are desirous of amalgamating the Transferor Companies into the Transferee Company in the manner provided in this Scheme.
4. Towards achieving consolidation of the operations relating to sugar and power cogeneration, the business of the Transferor Companies will be transferred into the Transferee Company through this amalgamation, in the manner provided in this Scheme.
5. In the process of amalgamation Transferor Company 4 and Transferor Company 5

Transferor Company 3 will amalgamate into the Transferee Company from the Appointed Date of October 1, 2022.

6. The amalgamation of all the Transferor Companies with the Transferee Company would inter alia have the following benefits:

- (a) Combining the resources, expertise and know-how of the Business of the Transferor Companies into the Transferee Company in their respective fields and the businesses of all the Transferor Companies shall be carried on into one single entity dealing in sugar and power cogeneration to provide a larger base for the sugar and power cogeneration business of the Transferor Companies;
- (b) Streamlining the corporate structure by housing the business under one entity and consolidation of sugar and power co-generation business within the Transferee Company will result in reduction in operational costs, legal and regulatory compliances and duplication of processes resulting in internal economies and optimized profitability;
- (c) Achieving material synergies for the benefit of shareholders, a large common shareholder base and a stable market perception;
- (d) Pooling of resources of the Business with the resources of the Transferee Company resulting in stronger financial position, i.e., balance sheet and net worth to meet future investment requirements;
- (e) Achieve greater integration and greater financial strength and flexibility for the combined entity leading to a stronger negotiation power in the market and strengthened leadership in the industry;
- (f) Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralised management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;
- (g) Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/ agencies;
- (h) Achieve cost savings on account of reduction of various statutory and regulatory compliances, elimination of arm's length margins, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;
- (i) Optimum utilization of available resources to make management control systems more efficient and effective which will enhance the management focus thereby leading to higher profitability and increase in the shareholder's value;
- (j) Stronger balance sheet resulting in improved allocation of capital, broader access to capital markets and lower cost of capital and
- (k) As an overall point, the consolidation of Sugar and Co-Generation business will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

Thus, the COMPOSITE SCHEME OF AMALGAMATION (*as defined hereinafter*) is in the interest of the shareholders, creditors and all other stakeholders of the Transferor Companies and the Transferee Company and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

7. The COMPOSITE SCHEME OF AMALGAMATION also provides for various other matters consequential or otherwise integrally connected herewith.
8. The COMPOSITE SCHEME is in the best interests of the shareholders, employees and the creditors of each of the Parties (*as defined hereinafter*).

C. OVERVIEW AND OPERATION OF THE COMPOSITE SCHEME

This COMPOSITE SCHEME OF AMALGAMATION (“**COMPOSITE SCHEME**”) of all the Transferor Companies is to consolidate the Sugar and Co-generation Division into the Transferee Company. In light of this broader understanding this COMPOSITE SCHEME provides for:

- (i) The transfer and vesting of the business of Transferor Company 4 and Transferor Company 5 into the Transferor Company 3 with effect from the respective Appointed Date (*as defined hereinafter*) under a ‘COMPOSITE SCHEME of Amalgamation’, on the terms and subject to the conditions set forth herein.
- (ii) Post giving effect to para (i) above, the transfer and vesting of the business of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 into the Transferee Company with effect from the respective Appointed Date (*as defined hereinafter*) under a ‘COMPOSITE SCHEME of Amalgamation’, on the terms and subject to the conditions set forth herein.

D. PARTS OF THE COMPOSITE SCHEME

The COMPOSITE SCHEME is divided into the following parts:

(i) PART I: DEFINITIONS AND SHARE CAPITAL

The PART I of the COMPOSITE SCHEME deals with the definitions of capitalised terms used in this COMPOSITE SCHEME and the details of the share capital of the Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, Transferor Company 5 and the Transferee Company;

- (ii) **PART II** deals with the transfer and vesting of the Transferor Company 4 and the Transferor Company 5 into the Transferor Company 3;
- (iii) **PART III** deals with the transfer and vesting of the Transferor Company 1, Transferor Company 2 and the Resulting Transferor Company 3 to the Transferee Company and discharge of consideration in lieu thereof;
- (iv) **PART IV** deals with the Reorganising of the Transferee Company and;

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1 In this COMPOSITE 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) all terms and words not defined in this COMPOSITE SCHEME shall have the meaning ascribed to them under the relevant Applicable Laws; and
- (iii) the following expressions shall have the meanings ascribed hereunder:

1.1.1 “**Act**” means the Companies Act, 2013, to the extent of the provisions notified, and the Companies Act, 1956, to the extent of its provisions in force;

1.1.2 “**Appointed Date**” with respect to the Scheme of Amalgamation shall be as per the below table or such other date as may be approved by the Tribunal and agreed to by the Board of the Transferor Company 1, Transferor Company 2, Resulting Transferor Company 3, Transferor Company 4 and Transferor Company 5 and the Transferee Company;

a.	Transferor Company 1	1 st , October 2022
b.	Transferor Company 2	1 st , October 2022
c.	Resulting Transferor Company 3	1 st , October 2022
d.	Transferor Company 4	1 st , April 2022
e.	Transferor Company 5	1 st , April 2022

1.1.3 “**Applicable Law**” or “**Law**” means any applicable national, foreign, provincial, local or other law including 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) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

1.1.4 “**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, tribunal, central bank, commission or other authority thereof;
- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
- (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, exporting or other governmental or quasi-governmental authority;

3, The Transferor Company 4, Transferor Company 5 and The Transferee Company, and shall include a committee of directors or any person authorised by such board of directors or such committee of directors duly constituted and authorised for the purposes of matters pertaining to this COMPOSITE SCHEME or any other matter relating thereto;

- 1.1.6 **"COMPOSITE SCHEME"** or **"the COMPOSITE SCHEME"** or **"this COMPOSITE SCHEME"** or **"COMPOSITE SCHEME OF AMALGAMATION"** means this COMPOSITE SCHEME of Amalgamation in its present form or as amended or with any modification(s) approved or imposed or directed by the Tribunal or any other Governmental Authorities, pursuant to the provisions of sections 230 to 232 and other applicable provisions, if any, of the Act;
- 1.1.7 **"Effective Date"** means the last of the dates on which the conditions under this COMPOSITE SCHEME are complied with or are waived by the Board of the Transferor Companies and the Transferee Company. Reference in this COMPOSITE SCHEME to the date of **"coming into effect of this COMPOSITE SCHEME"** or **"effectiveness of this COMPOSITE SCHEME"** or **"upon the COMPOSITE SCHEME becoming effective"** shall mean the Effective Date;
- 1.1.8 **"Encumbrance"** means (a) 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; (b) 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 (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **"Encumber"** shall be construed accordingly;
- 1.1.9 **"Existing Equity Shares of Transferee Company"** means the equity shares of the Transferee Company in existence on the date immediately preceding the Effective Date;
- 1.1.10 **"Income Tax Act"** means the Income-tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.1.11 **"INR"** means Indian Rupee, the lawful currency of the Republic of India;
- 1.1.12 **"Parties"** means collectively the Transferor Company 1, Transferor Company 2, Resulting Transferor Company 3, Transferor Company 4, Transferor Company 5 and the Transferee Company and **"Party"** shall mean each of them, individually;
- 1.1.13 **"Permits"** means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law and includes all rights of way associated with laying and operationalising of infrastructure for the Distillery Division under Applicable Law or otherwise;
- 1.1.14 **"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;

1.1.15 “**Promoter and Promoter Group**” shall consist of the following:

Sl. No	Promoter & Promoter Group
1	Murugesh R Nirani
2	Kamala M Nirani
3	Hanumanth R Nirani
4	Shobha H Nirani
5	Sangamesh R Nirani
6	Dakshayani S Nirani
7	Shrisail R Nirani
8	Vijay M Nirani
9	Sushmita V Nirani
10	Vishal M Nirani
11	Prajwal H Nirani
12	Pooja H Nirani

And the word *Shareholders (other than Promoter and Promoter Group)* shall be construed accordingly.

1.1.16 “**Record Date**” means the date to be fixed by the Board of Directors of the Transferee Company for determining names of the shareholders to whom shares will be issued and allotted by the Transferee Company as consideration under the COMPOSITE SCHEME;

1.1.17 “**ROC**” means each of the Registrar of Companies having jurisdiction over the Parties, as the case may be;

1.1.18 “**Taxation**” or “**Tax**” or “**Taxes**” means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and service 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, dividend distribution tax, advance tax, minimum alternate tax, tax benefits goods and service tax or otherwise or attributable directly or primarily to the Parties, as the case may be or any other Person and all penalties, charges, costs and interest relating thereto;

1.1.19 “**Tax Laws**” means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

1.1.20 “**Transferee Company**” means MRN Chamundi Cane Power and Bio-Refineries Private Limited (CIN: U15424KA2020PTC142790) is a private limited company incorporated under the provisions of Companies Act, 2013 having its registered office at Survey No. 166, Kulali Cross, Jamkhandi Mudhol Road, Bagalkot Karnataka 587313;

1.1.21 “**Transferee Company New Shares**” means the Equity Shares or any class or any type of shares of the Transferee Company having face value of INR 10 (Indian Rupees Ten) each to be issued by the Transferee Company pursuant to **Part III** of

be mutually agreed between the Parties which shall be incorporated in the articles of association of the Transferee Company;

- 1.1.22 **“Transferor Company 1”** means Nirani Sugars Limited (CIN: U15421KA1995PLC019340), a public unlisted company incorporated under the provisions of the Companies Act, 1956, having its registered office at Kulali Cross Jhamkhandi Mudhol Dist. Bagalkot, Mudhol 587313 Karnataka;
- 1.1.23 **“Transferor Company 2”** means MRN Cane Power India Limited (CIN: U15420KA2011PLC057254) is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at No. 342, Kallapur (S.K.), Khanapur (S.K.), Taluk Badami Bagalkot 587155 Karnataka;
- 1.1.24 **“Transferor Company 3”/ “Resulting Transferor Company 3”** means Shri Sai Priya Sugars Limited (CIN: U15429KA2002PLC030008) is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at Gopal Chember, Opp. Bus Stand Jamakandi Dist. Bagalkot 587301 Karnataka;
- 1.1.25 **“Transferor Company 4”** means Badami Sugar Limited (CIN: U15429KA2002PLC029955) is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at Chalukya Nagar, Bagalkot 587201 Karnataka;
- 1.1.26 **“Transferor Company 5”** means Shree Kedarnath Sugar and Agro Products Limited (CIN: U51229KA2001PLC160580) is a public unlisted company incorporated under the provisions of the Companies Act, 1956 having its registered office at Kulali Cross Jhamkhandi Mudhol Dist. Bagalkot Mudhol 587313 Karnataka;
- 1.1.27 **“Transferor Companies”** means the Transferor Company 1, the Transferor Company 2, the Resulting Transferor Company 3, the Transferor Company 4 and the Transferor Company 5 collectively or as the context may require.
- 1.1.28 **“Tribunal” or “NCLT”** shall mean the Bengaluru bench of the Hon’ble National Company Law Tribunal having jurisdiction over the Transferor Company 1, the Transferor Company 2, the Transferor Company 3 and the Transferor Company 4, Transferor Company 5 and the Transferee Company; and

1.2 In this COMPOSITE SCHEME, unless the context otherwise requires:

- (i) words denoting the singular shall include the plural and *vice versa* and words denoting any gender shall include all genders;
- (ii) headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information and convenience only and shall not form part of the operative provisions of this COMPOSITE SCHEME and shall be ignored in construing the same;
- (iii) the words “include” and “including” are to be construed without limitation;
- (iv) reference to a clause, paragraph or schedule is a reference to a clause, paragraph

- (v) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and references to days, months and years are to calendar days, calendar months and calendar years, respectively
- (vi) Terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to said terms under the Act, the Income Tax Act, 1961 and / or other applicable laws, rules, regulations and bylaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

2. SHARE CAPITAL

2.1 The share capital structure of the Transferor Company 1 as on 30th, September 2022 is as follows:

Particulars	INR
Authorised Share Capital	
2,00,00,000 Equity shares of INR 100/- each.	2,00,00,00,000/-
Issued, Subscribed and Paid up Share Capital	
1,68,53,198 Equity shares of INR 100/- each.	1,68,53,19,800/-

2.2 The share capital structure of the Transferor Company 2 as on 30th, September 2022 is as follows:

Particulars	INR
Authorised Share Capital	
15,00,00,000 Equity shares of INR 10/- each.	1,50,00,00,000/-
Issued, Subscribed and Paid up Share Capital	
9,50,00,000 Equity shares of INR 10/- each.	95,00,00,000/-

2.3 The share capital structure of the Transferor Company 3 as on 30th, September 2022 is as follows:

Particulars	INR
Authorised Share Capital	
20,00,00,000 Equity shares of INR 10/- each.	2,00,00,00,000/-
Issued, Subscribed and Paid up Share Capital	
16,61,35,600 Equity shares of INR 10/- each.	1,66,13,56,000/-

2.4 The share capital structure of the Transferor Company 4 as on 30th, September 2022 is as follows:

Particulars	INR
Authorised Share Capital	

Issued, Subscribed and Paid up Share Capital	
1,99,58,960 Equity shares of INR 10/- each.	19,95,89,600/-

2.5 The share capital structure of the Transferor Company 5 as on 30th, September 2022 is as follows:

Particulars	INR
Authorised Share Capital	
10,00,00,000 Equity shares of INR 10/- each.	1,00,00,00,000/-
Issued, Subscribed and Paid up Share Capital	
9,70,07,720 Equity shares of INR 10/- each.	97,00,77,200/-

2.6 The share capital structure of the Transferee Company as on 30th, September 2022 is as follows:

Particulars	INR
Authorised Share Capital	
1,00,000 Equity shares of INR 10/- each.	10,00,000/-
Issued, Subscribed and Paid up Share Capital	
10,000 Equity shares of INR 10/- each.	1,00,000/-

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS COMPOSITE SCHEME

3.1 This COMPOSITE SCHEME in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal shall become effective from the respective Appointed Date but shall be operative from the **Effective Date** in the following manner:

3.1.1 Part II of the COMPOSITE SCHEME relating to the amalgamation of Transferor Company 4 and Transferor Company 5 into their holding Company i.e. Transferor Company 3 along with the applicable general terms and conditions mentioned in Part V or in this Scheme shall be effective from the respective Appointed Date.

3.1.2 Part III of the COMPOSITE SCHEME relating to the amalgamation of Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 into the Transferee Company along with the applicable general terms and conditions mentioned in Part V or in this Scheme shall be effective from the respective Appointed Date.

PART II

TRANSFER AND VESTING OF THE TRANSFEROR COMPANY 4 AND THE TRANSFEROR COMPANY 5 INTO THE TRANSFEROR COMPANY 3

4. TRANSFER AND VESTING OF THE ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANY 4 AND THE TRANSFEROR COMPANY 5

4.1 Upon the Composite Scheme becoming effective and with effect from the Appointed Date, and subject to the provisions of this Composite Scheme and pursuant to Section 232 of the Act, the entire business of the Transferor Company 4 and the Transferor Company 5 shall stand transferred and vested with the Resulting Transferor Company 3 as a going concern and all assets, liabilities, contracts, arrangements, Employees, Permits, records, etc. of the Transferor Company 4 and Transferor Company 5 shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferor Company 3 (**which shall be referred as "Resulting Transferor Company 3"**), so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, records, etc., of the Resulting Transferor Company 3 by virtue of, and in the manner provided in this Composite Scheme.

4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Composite Scheme becoming effective and with effect from the Appointed Date:

4.2.1 with respect to the assets of the Transferor Company 4 and the Transferor Company 5 that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and / or delivery, the same may be so transferred by the Transferor Company 4 and the Transferor Company 5 by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Resulting Transferor Company 3 as on the Appointed Date. The order sanctioning the Composite Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting and as the context may provide, by physical or constructive delivery, or by endorsement and delivery or by mere operation of the order of the Tribunal sanctioning the Composite Scheme, in accordance with the Act, as appropriate to the nature of the movable property vested. The title to such property shall be deemed to have been recognised as that of the Resulting Transferor Company 3;

4.2.1.1 subject to Clause 4.2.3 below, with respect to the assets of the Transferor Company 4 and the Transferor Company 5, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investment in shares of any body corporate, fixed deposits, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, cash and bank balances, earnest moneys, deposits or refunds, if any, with any Appropriate Authority, customers and other persons, whether or not the same is held in the name of the

vested in and / or be deemed to be transferred to and vested in the Resulting Transferor Company 3, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of Resulting Transferor Company 3. The Resulting Transferor Company 3 shall subsequent to the order of the Tribunal be entitled to the delivery and possession of all documents of title of such movable property in this regard. With regard to the licenses of the properties, the Resulting Transferor Company 3 will enter into novation agreements, if it is so required; Transferor Company 3, the said debt, loan, advance or deposit be paid or made good or held on account of the Resulting Transferor Company 3.

4.2.2 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances) and all rights thereto, whether or not included in the books of the Transferor Company 4 and the Transferor Company 5, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Resulting Transferor Company 3, as successor, without any act or deed to be done or executed by the Transferor Company 4 and the Transferor Company 5 and / or the Resulting Transferor Company 3, as the case may be. Such assets shall stand vested in the Resulting Transferor Company 3 and shall be deemed to be and have become the property of the Resulting Transferor Company 3 by operation of law. The Resulting Transferor Company 3 shall be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. The Resulting Transferor Company 3 shall, pursuant to the order of the Tribunal be entitled to the delivery and possession of all documents of title to such immovable property;

4.2.3 notwithstanding any provision to the contrary, until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and / or perfected, in the records of the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies, in favour of the Resulting Transferor Company 3, Resulting Transferor Company 3 is deemed to be authorized to carry on business in the name and style of the Transferor Company 4 and the Transferor Company 5 under the relevant agreement, deed, lease and / or license, as the case may be, and the Resulting Transferor Company 3 shall keep a record and / or account of such transactions;

4.2.4 notwithstanding anything contained in this Composite Scheme, in relation to the immovable properties of the Transferor Company 4 and the Transferor Company 5 as the Board of the Resulting Transferor Company 3 may determine, whether owned or leased, whether executed before or after the Effective Date, the parties shall be entitled to do all such acts, deeds and things as may be deemed necessary to record the change in ownership in the revenue records (including execution of separate deeds of conveyance or deed of assignment of lease(s), as may be required), in favour of the Resulting

- 4.2.5** Upon the Composite Scheme becoming effective, the title to immovable properties of the Transferor Company 4 and the Transferor Company 5 whether owned or leased, shall be deemed to have been mutated and recognised as that of the Resulting Transferor Company 3 and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the Appropriate Authorities shall suffice as record of continuing titles with the Resulting Transferor Company 3 pursuant to the Composite Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. It is hereby clarified that all the rights, title and interest of the Transferor Company 4 and the Transferor Company 5 in any leave and license, leasehold properties and owned properties shall, pursuant to Section 232 of the Act and the provisions of this Composite Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Transferor Company 3;
- 4.2.6** all debts, liabilities, duties and obligations (debentures, commercial paper, bonds, notes or other debt securities, loan from companies) of the Transferor Company 4 and the Transferor Company 5 shall, without any further act, instrument or deed be transferred to, and vested in, and / or deemed to have been transferred to, and vested in, the Resulting Transferor Company 3, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Resulting Transferor Company 3 on the same terms and conditions as were applicable to the Transferor Company 4 and the Transferor Company 5, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause. Where any of the liabilities of the Transferor Company 4 and the Transferor Company 5 as on the Appointed Date deemed to be transferred to the Resulting Transferor Company 3, have been discharged by the Transferor Company 4 and the Transferor Company 5 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of and for the benefit of the Resulting Transferor Company 3;
- 4.2.7** all intangible assets, including all the brands and trademarks (including logo and right to use the trademarks) of the Transferor Company 4 and the Transferor Company 5 including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and be vested in the Resulting Transferor Company 3, as successor to the Transferor Company 4 and the Transferor Company 5, without any act or deed to be done or executed by the Transferor Company 4 and the Transferor Company 5 and / or the Resulting Transferor Company 3, as the case may be. The Resulting Transferor Company 3 shall take such actions as may be necessary and permissible to get the same transferred and / or registered in the name of the Resulting Transferor Company 3;
- 4.2.8** the vesting of the entire undertaking of the Transferor Company 4 and the Transferor Company 5, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Transferor Company 4 and the Transferor Company 5 or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or

and the Transferor Company 5 are a party) related to any assets of Transferor Company 4 and the Transferor Company 5 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 Resulting Transferor Company 3. Similarly, the Resulting Transferor Company 3 shall not be required to create any additional security over assets vested under this Composite Scheme for any loans, debentures, deposits or other financial assistance already availed of / to be availed of by it, and the Encumbrances in respect of such indebtedness of Resulting Transferor Company 3 shall not extend or be deemed to extend or apply to the assets so vested;

4.2.9 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company 4 and the Transferor Company 5 has been replaced with that of the Resulting Transferor Company 3, the Resulting Transferor Company 3 shall be entitled to maintain and operate the bank accounts of the Transferor Company 4 and the Transferor Company 5 in the name of the Transferor Company 4 and the Transferor Company 5 and for such time as may be determined to be necessary by the Resulting Transferor Company 3. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company 4 and the Transferor Company 5 after the Effective Date shall be accepted by the bankers of the Resulting Transferor Company 3 and credited to the account of the Resulting Transferor Company 3, if presented by the Resulting Transferor Company 3;

4.2.10 without prejudice to the foregoing provisions of Clause 4, the Transferor Company 4 and the Transferor Company 5 and the Resulting Transferor Company 3 shall be entitled to apply to the Appropriate Authorities as are necessary under any Applicable Law for such Permits which the Resulting Transferor Company 3 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 ROC or filing of necessary applications, notices, intimations or letters with any authority or Person, to give effect to the above provisions; and

4.2.11 benefits of any and all corporate approvals as may have already been taken by the Transferor Company 4 and the Transferor Company 5, whether being in the nature of compliances or otherwise under the Act, shall stand vested in the Resulting Transferor Company 3 and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Resulting Transferor Company 3.

4.2.12 All the registrations in the name of the Transferor Company 4 and Transferor Company 5 shall be deemed to be transferred in the name of the Resulting Transferor Company 3 from the Operative Date, effective from Appointed Date 1 and the Resulting Transferor Company 3 shall give requisite intimations for this purpose to all concerned.

4.3 Without prejudice to the foregoing clauses and upon this Composite Scheme becoming effective, the Transferor Company 4 and the Transferor Company 5 and the Resulting Transferor Company 3 shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing

- 4.4** This Composite Scheme has been drawn up to comply with the conditions provisions of the Income-Tax Act, 1961. If any terms or provisions of the Composite Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Composite Scheme becomes effective, the provisions of the said section and other related provisions of the Income-tax Act, 1961 shall prevail and the Composite Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Composite Scheme.

5. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING TRANSFEROR COMPANY 3G

- 5.1** The Resulting Transferor Company 3 shall account for the merger in its books as per the applicable accounting principles as prescribed under Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Act, with effect from the Appointed Date in accordance with the circular dated August 21, 2019, issued by Ministry of Corporate Affairs (MCA).
- 5.2** All the assets and liabilities of the Transferor Company 4 and Transferor Company 5 shall be recognised in the books of the Resulting Transferor Company 3 at the values as prescribed by the applicable accounting standards and notified under the provisions of the Act. The difference between the consideration and the value of assets and liabilities recognised shall be accounted as per applicable accounting standards.
- 5.3** Further any adjustments may be made to harmonise the accounting policies of the Transferor Company 4 and Transferor Company 5 with the Resulting Transferor Company 3.
- 5.4** In case of any differences in accounting policies between the Transferor Company 4 and Transferor Company 5 and the Resulting Transferor Company 3, the accounting policies followed by the Transferor Company 4 and Transferor Company 5 shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies shall be ascertained and the impact of the same till the effective date will be quantified and adjusted in the reserves of the Resulting Transferor Company 3.
- 5.5** All the inter-company transaction in the nature whatsoever shall stands automatically cancelled.
- 5.6** Notwithstanding the above, the Board of Directors of the Resulting Transferor Company 3, is authorised to modify such accounting treatment so as to comply with applicable accounting standards and the clarifications/ guidance provided by the Institute of Chartered Accountants of India.

6. CONDUCT OF BUSINESS FROM APPOINTED DATE UPTO THE EFFECTIVE DATE:

- 6.1.1** shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Transferor Company 3;
- 6.1.2** all loans raised and all liabilities and obligations incurred by the Transferor Company 4 and Transferor Company 5 after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Composite Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Transferor Company 3 in which the undertaking of the Transferor Company 4 and Transferor Company 5 shall vest in terms of this Composite Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Transferor Company 3;
- 6.1.3** 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:
- 6.1.3.1** when the same is expressly provided in this Composite Scheme; or
- 6.1.3.2** when the same is in the ordinary course of business as carried on, as on the date of filing of this Composite Scheme with the Tribunal; or
- 6.1.3.3** when permission of the Resulting Transferor Company 3 has been obtained (pursuant to this Composite Scheme) in this regard;
- 6.1.4** except as contemplated in this Composite Scheme (or as may be mutually agreed in writing between the Transferor Company 4 and Transferor Company 5, Resulting Transferor Company 3 and the relevant stakeholders) pending sanction of this Composite Scheme, the Transferor Company 4 and Transferor Company 5 shall not make any change in its capital structure either (i) by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies) and/ or (ii) by way of recording/ permitting any transfer/ sale of shares or other securities of the Transferor Company 4 and Transferor Company 5;
- 6.1.5** 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: (a) that in the ordinary course of business; and (b) any acquisitions as may be mutually agreed in writing between the Transferor Company 4 and Transferor Company 5, Resulting Transferor Company 3 and the relevant stakeholders; (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 Transferor Company 3;

- 6.1.6** shall not use the name, trademark, copyrights etc. associated with the Transferor Company 4 and Transferor Company 5 in any manner that may directly or indirectly disparage such name, trademark, copyrights etc.;
- 6.1.7** 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 prior written consent of the Resulting Transferor Company 3; and
- 6.1.8** shall not amend its Memorandum of Association or Articles of Association, except with the prior written consent of the Resulting Transferor Company 3, unless required to be done pursuant to actions between the Appointed Date 1 and Effective Date expressly permitted under this Composite Scheme.
- 6.2** From the Effective Date, the Resulting Transferor Company 3 shall carry on and shall be entitled to carry on the business of the Transferor Company 4 and Transferor Company 5.
- 6.3** The Resulting Transferor Company 3 shall be entitled, pending the sanction of the Composite Scheme, to apply to the Appropriate Authority and all other agencies, departments and authorities concerned as are necessary under any Applicable Law for such Permits which the Resulting Transferor Company 3 may require to carry on the business of the Transferor Company 4 and Transferor Company 5 and to give effect to the Composite Scheme.
- 6.4** The Resulting Transferor Company 3 shall be entitled to credit the tax paid including, but not limited to, credit of the tax deducted at source, tax collected at source and credit under GST law, in relation to the Transferor Company 4 and Transferor Company 5, for the period between the Appointed Date 1 and the Effective Date.
- 6.5** For the purpose of giving effect to the merger order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Composite Scheme by the Appropriate Authority, the Resulting Transferor Company 3 shall, at any time pursuant to the orders approving this Composite Scheme, be entitled to get the record of the change in the legal right(s) upon the merger of the Transferor Company 4 and Transferor Company 5, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Transferor Company 3 is and 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 Composite Scheme.

7. CONSIDERATION

As the Transferor Company 4 and Transferor Company 5 are wholly owned subsidiaries of the Resulting Transferor Company 3, the shares held by the Resulting Transferor Company 3 in the Transferor Company 4 and Transferor Company 5 shall stand cancelled with the coming into effect of this Composite Scheme and therefore there would be no issue of shares by the Resulting Transferor Company 3 in this regard.

8. DECLARATION OF DIVIDEND, BONUS, ETC.

- 8.1** The Transferor Company 4 and Transferor Company 5 and the Resulting Transferor Company 3 shall be entitled to declare and pay dividends, whether interim and / or

8.2 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 member of the Transferor Company 4 and Transferor Company 5 or Resulting Transferor Company 3 to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of the Transferor Company 4 and Transferor Company 5 or Resulting Transferor Company 3, as the case may be, and subject, wherever necessary, to the approval of the shareholders of the Transferor Company 4 and Transferor Company 5 or Resulting Transferor Company 3, as the case may be.

9. SAVING OF CONCLUDED TRANSACTIONS

The vesting of the undertaking of the Transferor Company 4 and Transferor Company 5 as above and the continuance of proceedings by or against the Transferor Company 4 and Transferor Company 5 shall not affect any transaction or proceedings already concluded on or after the Appointed Date 1 till the Effective Date in accordance with this Composite Scheme, to the end and intent that the Resulting Transferor Company 3 accepts and adopts all acts, deeds and things done and executed by the Transferor Company 4 and Transferor Company 5 in respect thereto as done and executed on behalf of the Resulting Transferor Company 3.

10. DISSOLUTION OF TRANSFEROR COMPANY 4 AND TRANSFEROR COMPANY 5

Upon coming into effect of this Composite Scheme, the Transferor Company 4 and 5 shall stand dissolved without winding-up, without any further act or deed. The Transferor Company 4 and 5 shall be removed from the register of the Registrar of Companies on the effectiveness of this Composite Scheme.

PART III

TRANSFER AND VESTING OF THE TRANSFEROR COMPANY 1, TRANSFEROR COMPANY 2 AND RESULTING TRANSFEROR COMPANY 3 INTO THE TRANSFeree COMPANY

11. TRANSFER AND VESTING OF ASSET AND LIABILITIES OF THE TRANSFEROR COMPANY 1, TRANSFEROR COMPANY 2 AND RESULTING TRANSFEROR COMPANY 3 INTO THE TRANSFeree COMPANY

- 11.1 Upon the Composite Scheme becoming effective and with effect from the respective Appointed Date, and subject to the provisions of this Composite Scheme and pursuant to Section 232 of the Act, the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 shall stand transferred and vested with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, Employees, Permits, records, etc. of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 (collectively called the “**Merging Companies**”) shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the respective Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, records, etc. of the Transferee Company by virtue of, and in the manner provided in this Composite Scheme.
- 11.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Composite Scheme becoming effective and with effect from the respective Appointed Date:
- 11.2.1 with respect to the assets of the Merging Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and / or delivery, the same may be so transferred by the Merging Companies by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date. The order sanctioning the Composite Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting and as the context may provide, by physical or constructive delivery, or by endorsement and delivery or by mere operation of the order of the Tribunal sanctioning the Composite Scheme, in accordance with the Act, as appropriate to the nature of the movable property vested. The title to such property shall be deemed to have been recognised as that of the Transferee Company;
- 11.2.2 subject to Clause 11.2.3 below, with respect to the assets of the Merging Companies, other than those referred to in Clause 11.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investment in shares of anybody corporate, fixed deposits, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, cash and bank balances, earnest moneys, deposits or refunds, if any, with any Appropriate Authority, customers and other persons, whether or not the same is held in the name of the Merging Companies, shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company, with effect from the

the order of the Tribunal be entitled to the delivery and possession of all documents of title of such movable property in this regard. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required;

- 11.2.3** without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances) and all rights thereto, whether or not included in the books of the Merging Companies, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in co-operative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Merging Companies, without any act or deed to be done or executed by the Merging Companies and / or the Transferee Company, as the case may be. Such assets shall stand vested in the Transferee Company and shall be deemed to be and have become the property of the Transferee Company by operation of law. Transferee Company shall be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. The Transferee Company shall, pursuant to the order of the Tribunal be entitled to the delivery and possession of all documents of title to such immovable property;
- 11.2.4** notwithstanding any provision to the contrary, until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and / or perfected, in the records of the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies, in favour of the Transferee Company, the Transferee Company is deemed to be authorized to carry on business in the name and style of the Merging Companies under the relevant agreement, deed, lease and / or license, as the case may be, and the Transferee Company shall keep a record and / or account of such transactions;
- 11.2.5** notwithstanding anything contained in this Composite Scheme, in relation to the immovable properties of the Merging Companies as the Board of the Transferee Company may determine, whether owned or leased, whether executed before or after the Effective Date, the parties shall be entitled to do all such acts, deeds and things as may be deemed necessary to record the change in ownership in the revenue records (including execution of separate deeds of conveyance or deed of assignment of lease(s), as may be required), in favour of the Transferee Company in respect of such immovable properties;
- 11.2.6** Upon the Composite Scheme becoming effective, the title to immovable properties of the Merging Companies whether owned or leased, shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the Appropriate Authorities shall suffice as record of continuing titles with the Transferee Company pursuant to the Composite Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. It is hereby clarified that all the rights, title and interest of the Merging Companies in any lease and license, leasehold properties and owned properties shall, pursuant to Section 232 of the Act and the provisions of this Composite Scheme, without any further

- 11.2.7** all debts, liabilities, duties and obligations (debentures, commercial paper, bonds, notes or other debt securities, loan from companies) of the Merging Companies shall, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Merging Companies, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 11.2.7. Where any of the liabilities of the Merging Companies as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Merging Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of and for the benefit of the Transferee Company;
- 11.2.8** all intangible assets, including all the brands and trademarks (including logo and right to use the trademarks) of the Merging Companies including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and be vested in the Transferee Company, as successor to the Merging Companies, without any act or deed to be done or executed by the Merging Companies and / or the Transferee Company, as the case may be. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and / or registered in the name of the Transferee Company;
- 11.2.9** the vesting of the entire undertaking of the Merging Companies, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Merging Companies or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Merging Companies are a party) related to any assets of Merging 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 Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under this Composite Scheme for any loans, debentures, deposits or other financial assistance already availed of / to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;
- 11.2.10** On and from the Effective Date and till such time that the name of the bank accounts of the Merging Companies has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Merging Companies in the name of the Merging Companies and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Merging 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

- 11.2.11** Without prejudice to the foregoing provisions of Clause 11, the Merging Companies and the Transferee Company shall be entitled to apply to the Appropriate Authorities as are necessary under any Applicable Law for such Permits which the Transferee 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 ROC or filing of necessary applications, notices, intimations or letters with any authority or Person, to give effect to the above provisions; and
- 11.2.12** Benefits of any and all corporate approvals as may have already been taken by the Merging Companies, whether being in the nature of compliances or otherwise under the Act, shall stand vested in the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Transferee Company.
- 11.2.13** All the registrations in the name of the Merging Companies shall be deemed to be transferred in the name of the Transferee Company from the Operative Date, effective from Appointed Date 2 and the Transferee Company shall give requisite intimations for this purpose to all concerned.
- 11.2.14** The Corporate Guarantee provided by all Transferor Companies towards H & T Loans extended to H & T Contracts of each Company (Secured Creditors to the extent of Rs. 272 Crores aggregate exposure of the transferor companies) will be transferred to Transferee Company.
- 11.3** Without prejudice to the foregoing Clauses and upon this Composite Scheme becoming effective, the Merging Companies and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the RoC, to give formal effect to the above provisions, if required.
- 11.4** This Composite Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Composite Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law, till the time the Composite Scheme becomes effective, the provisions of the said section and other related provisions of the Income-tax Act, 1961 shall prevail and the Composite Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Composite Scheme.

12. EMPLOYEES

- 12.1** On the Composite Scheme becoming effective, all Employees of the Merging Companies shall be deemed to have become employees of the Transferee Company, without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Merging Companies on the Effective Date. The Transferee Company undertakes to continue to abide by all agreement(s)/settlement(s), if any, validly entered into by the Merging Companies

to the credit of the employees in the existing provident fund and superannuation fund of which the employees of the Merging Companies are members shall be transferred to such provident fund and superannuation fund of the Transferee Company or to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company. The Merging Companies and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required to give formal effect to the above provisions, if required.

- 12.2 Pending the transfer as aforesaid, the provident fund and superannuation fund dues of the Employees would be continued to be deposited in the existing provident fund and
- 12.3 superannuation fund respectively of the Merging Companies.
- 12.4 Upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Merging Companies shall stand dissolved and no further act or deed shall be required to this effect. It is further clarified that the services of the Employees will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.
- 12.5 Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Laws, shall be entitled to retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Merging Companies.

13. LEGAL PROCEEDINGS

- 13.1 Any suit, petition, appeal or other proceeding of whatsoever nature (including any suit, petition, appeal or other proceeding before any Appropriate Authority) enforceable by or against the Merging Companies including without limitation any restraining orders (including order under Section 281B of the Income-tax Act, 1961) pending before any court, judicial or quasi-judicial tribunal or any other forum (including an Appropriate Authority), relating to the Merging Companies, whether by or against the Merging Companies, pending as on the Effective Date, shall not abate or be discontinued or in any way prejudicially affected by reason of the merger of the Merging Companies or of any order of or direction passed or issued in the merger proceedings or anything contained in this Composite Scheme, but by virtue of the order sanctioning the Composite Scheme, such legal proceedings shall be continued and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and / or enforced by or against the Merging Companies, as if this Composite Scheme had not been implemented. Each of the Merging Companies and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required to give formal effect to the above provisions, if required.

- 13.2 After the Appointed Date and until the Effective Date, the Merging Companies shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of the Transferee Company.

- 13.3 The transfer and vesting of the assets and liabilities under the Composite Scheme

Companies between the Appointed Date and the Effective Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and / or on behalf of the Merging Companies as acts, deeds and things done and executed by and on behalf of the Transferee Company .

14. PERMITS

With effect from the Appointed Date, all Permits held or availed of by, and all rights and benefits that have accrued to, the Merging Companies, pursuant to the provisions of Section 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws.

15. CONTRACTS, DEEDS, ETC.

- 15.1** All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, Composite Scheme, arrangements and other instruments, rights, entitlements for the purpose of carrying on the business of the Merging Companies, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Merging Companies, or to the benefit of which the Merging Companies may be eligible and which are subsisting or having effect immediately before this Composite Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the order of the Appropriate Authority sanctioning the Composite Scheme, and on this Composite Scheme becoming effective, be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, Composite Schemes, arrangements and other instruments, rights, entitlements of the Transferee Company . It is clarified that all conditions, stipulations, prerequisites, terms laid down by any Appropriate Authority, fulfilled by the Merging Companies prior to the Effective Date, shall be deemed to have been fulfilled and complied with by the Transferee Company, upon the Composite Scheme being effective. The Transferee Company shall be entitled to the benefit of all qualification criteria, track-record, experience, goodwill and all other rights, claims and powers of whatsoever nature and howsoever situated, belonging to or in the possession of or granted in favour of or enjoyed by the Merging Companies for all intents and purposes for its business. Such properties and rights described hereinabove shall stand vested in the Transferee Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Transferee Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if it were the Merging Companies.

- 15.2** Upon this Composite Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties, shall be deemed to have been entered into and stand

the Transferee Company shall be the successor in the interest of the Merging Companies. In relation to the same, any procedural requirements required to be fulfilled solely by the Merging Companies (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Merging Companies.

- 15.3** The Transferee Company may, at any time after the Composite Scheme comes into effect in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Merging Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf and in the name of the Merging Companies and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Merging Companies. The Transferee Company, if so required, shall provide the certified copy(ies) of the order of the Tribunal sanctioning the Composite Scheme to the counter parties to the agreements for information purposes and such party or authority shall make and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor, pursuant to such orders without any break in the validity and enforceability of such agreement. However, till the time such substitution / endorsement is actually effected, the Transferee Company shall always be deemed to be a party to all such agreements and be allowed to operate in the name and style of the Merging Companies. It is hereby clarified that all rates, fees, etc. paid by the Merging Companies till the Effective Date shall be considered paid by or for the Transferee Company and shall be considered part of total sum payable under such agreement and the Transferee Company shall not be called upon or required to pay the same again.
- 15.4** Without prejudice to the provisions of this Composite Scheme, with effect from the Appointed Date, all inter-party transactions between the Merging Companies and the Transferee Company shall be considered as intra-party transactions for all purposes. Any taxes (including tax deducted at source or tax collected at source or dividend distribution tax) paid in relation to such transaction shall, to the extent permissible by Applicable Law, be claimed as a refund/ credit.
- 15.5** Upon the Composite Scheme becoming effective, the Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Merging Companies and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party thereto.
- 15.6** Upon the Composite Scheme becoming effective, any *inter-se* contracts only between the Merging Companies and the Transferee Company shall stand cancelled and cease to operate upon the coming into effect of this Composite Scheme.

16. TAXES / DUTIES / CESS ETC.

Upon the Composite Scheme becoming effective, by operation of law pursuant to the order of the Tribunal:

in the electronic ledger of the Merging Companies shall be transferred to and vest in the Transferee Company upon filing of requisite forms. Thereafter, the unutilized credit so specified shall be credited to the electronic credit ledger of the Merging Companies and the input and capital goods shall be duly adjusted by the Transferee Company in its books of account.

- 16.2** Tax depreciation and accumulated tax losses of the Merging business which is not given effect to in prior years shall belong to the Transferee Company and accordingly will be utilized by the Transferee Company in subsequent years.
- 16.3** The existing credit of Minimum Alternate Tax of the Merging Companies, under the provisions of Section 115JAA of the Income Tax Act, 1961 shall, for all purposes, be treated and allowed as the minimum alternate tax credit of the Transferee Company and the Transferee Company shall be eligible to carry forward and set off such credit in subsequent years.
- 16.4** All Taxes, whether direct or indirect, of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, tax collected at source, dividend distribution tax, minimum alternative tax, wealth tax, if any, paid by the Merging Companies shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable notwithstanding that challans or records may be in the name of Merging Companies. Minimum Alternate Tax credit, carry forward of accumulated book losses, unabsorbed book depreciation, carry forward of accumulated tax losses, unabsorbed tax depreciation available to the Merging Companies under the Income-tax Act, 1961, if any, shall vest in and be available to the Transferee Company.
- 16.5** Upon this Composite Scheme becoming effective, the Merging Companies (if required) and the Transferee Company are expressly permitted to revise their financial statements and their income tax returns along with the prescribed forms, filings and annexures under the Income-tax Act, 1961 and other statutory returns, including but not limited to tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT / GST returns, as may be applicable. The Transferee Company has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, self-assessment tax, regular assessment taxes, credit of tax under Section 115JB of the Income-tax Act, 1961, i.e. credit of minimum alternate tax, credit of dividend distribution tax, credit of tax deducted at source, tax collected at source, credit of foreign taxes paid / withheld, etc., etc. if any, as may be required for the purposes of / consequent to implementation of the Composite Scheme. All compliances done by each of the Merging Companies will be considered as compliances done by the Transferee Company.
- 16.6** The Transferee Company shall be entitled to: (a) claim deduction with respect to items such as provisions, expenses etc. disallowed in earlier years in the hands of the Merging Companies, which may be allowable in accordance with the provisions of the Income-tax Act, 1961, on or after the Appointed Date: and (b) exclude items such as provisions, reversals etc. for which no deduction or tax benefit has been claimed by the Merging Companies prior to the Appointed Date.

- 16.7** It is hereby clarified that in case of any refunds, credits, benefits, incentives, grants, subsidies etc. under the Tax Laws due to the Merging Companies shall stand

- 16.8** All tax assessment proceedings / appeals of whatsoever nature, by or against the Merging Companies pending and / or arising shall be continued and / or enforced until the Effective Date by the Merging Companies. In the event of the Merging Companies failing to continue or enforce any proceeding / appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Merging Companies.
- 16.9** Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the Merging Companies with the Transferee Company or anything contained in the Composite Scheme.
- 16.10** All the expenses incurred by the Merging Companies and the Transferee Company in relation to the merger of the Merging Companies with the Transferee Company in accordance with this Composite Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with section 35DD of the Income-Tax Act, 1961, over a period of five (5) years from the Appointed Date.

17. CONSIDERATION

- 17.1** Upon the COMPOSITE SCHEME becoming effective and in consideration of the transfer and vesting of the Merging Companies (inclusive of all assets and liabilities thereof), into and with the Transferee Company by operation of law, the Transferee Company shall, without any further application or deed, issue and allot:
- 17.1.1** 3084 fully paid up equity shares or any class or any type of shares of the Transferee Company having a face value of INR 10/- (Indian Rupees Ten) each, for every 100 fully paid up equity shares of the Transferor Company 1 having a face value of INR 100/- (Indian Rupees One Hundred) each, held by the shareholders;
- 17.1.2** 138 fully paid up equity shares or any class or any type of shares of the Transferee Company having a face value of INR 10/- (Indian Rupees Ten) each, for every 100 fully paid up equity shares of the Transferor Company 2 having a face value of INR 10/- (Indian Rupees Ten) each, held by the shareholders;
- 17.1.3** 449 fully paid up equity shares or any class or any type of shares of the Transferee Company having a face value of INR 10/- (Indian Rupees Ten) each, for every 100 fully paid up equity shares of the Resulting Transferor Company 3 having a face value of INR 10/- (Indian Rupees Ten) each, held by the shareholders;

(shares allotted pursuant to clause 17.1, above are hereinafter referred as **"Transferee Company New Shares"**)

whose name appear in the Register of Members of Transferor Company 1

duly registered legal heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be as on the Effective Date.

In applying the swap ratio mentioned above, no fractional shares shall be issued by the Transferee Company and all fractions shall be rounded off to the nearest whole number.

- 17.2** The Transferee Company New Equity Shares to be issued by the Transferee Company to the shareholders of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 pursuant to Clause 17.1 above shall be subject to the Memorandum of Association and Articles of Association of the Transferee Company and shall rank *pari passu* with the existing Equity Shares Issued, Subscribed and Paid up, of the Transferee Company in all respects, including dividends. Further, the Memorandum of Association and the Articles of Association of the Transferee Company shall be amended without any further act, instrument or deed and the approval of the members of the Transferee Company to the COMPOSITE SCHEME shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association and the Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for the alteration of the Memorandum of Association and the Articles of Association of the Transferee Company as required under Sections 13, 61 and 64 and other applicable provisions of the Act.
- 17.3** In case any shareholder's holding in the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 is such that the shareholder becomes entitled to a fraction of Transferee Company New Shares, as per the share exchange ratio set out in Clause 17.1 above, the same shall be rounded off to the nearest whole number.
- 17.4** The allotment of the Transferee Company New Shares in terms of Clause 17.1 shall be done within the prescribed statutory period from the Effective Date.
- 17.5** In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3, the Board of Directors of the Transferee Company at its sole discretion, shall be empowered, prior to or even after the Effective Date, as the case may be, to effectuate such a transfer in the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3, as if such changes in registered shareholder were operative as on the Effective Date in order to remove any difficulties in relation to the issuance of the Transferee Company New Equity Shares after the COMPOSITE SCHEME becomes effective and the Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the COMPOSITE SCHEME and registration of new members in the Transferee Company on account of difficulties faced in the transition period.
- 17.6** The issuance and allotment of the Transferee Company New Shares to the shareholders of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 as provided in this COMPOSITE SCHEME, is an integral part thereof 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 Transferee Company or its shareholders and as if the procedure laid down under the

- 17.7 Upon the COMPOSITE SCHEME becoming effective and upon the Transferee Company New Shares being issued and allotted as provided in this COMPOSITE SCHEME, the equity shares or any class or any type of shares (if any) of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3, whether in dematerialized form or in physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Effective Date.
- 17.8 The Transferee Company New Shares shall be issued in dematerialized form and the Transferee Company shall issue Transferee Company New Shares to the shareholders of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 and the Transferee Company shall update its register of members to reflect the shareholders of Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 as shareholders of the Transferee Company with respect to the Transferee Company New Shares.
- 17.9 In respect of the shareholding of the eligible shareholders of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 held in dematerialised form, the **Transferee Company New Shares** will, subject to applicable regulations, also be issued to them in the dematerialised form pursuant to Clause **Error! Reference source not found.** above with such shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto, as per records maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited on the Record Date.
- 17.10 In the event the eligible shareholders holding shares in physical form, the Transferee Company shall issue the corresponding equity shares in dematerialized form to a Trustee nominated by the Board of Directors of the Transferee Company ("the Trustee") who shall hold the shares in trust for the benefit of such eligible shareholders. The shares of the Transferee Company held by the Trustee shall be transferred to the respective eligible shareholders once such shareholder makes a claim for their shares by providing details of their demat account to the Trustee along with such other necessary documents as may be required in this regard. The eligible shareholders shall enjoy the rights associated with the equity shares of the Transferee Company, including the right to receive dividend and other corporate benefits but excluding the right to vote, pending transfer of shares of the Transferee Company by the Trustee.
- 17.11 The Transferee Company New Shares issued by the Transferee Company shall comply with Applicable Law including the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, as amended from time to time. Further, it is clarified that to the extent any Permits are required to be obtained either by the shareholders of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3, for receipt of any Transferee Company New Shares in accordance with this COMPOSITE SCHEME, the Transferee Company shall issue Transferee Company New Equity Shares to shareholders of the Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 (requiring such Permits) in accordance with this COMPOSITE SCHEME only following receipt of such Permits by the Shareholders of Transferor Company 1, Transferor Company 2 and Resulting Transferor Company 3 (as the case may be).

18. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFeree COMPANY

- 18.1** The Transferee Company shall account for the merger in its books as per the applicable accounting principles as prescribed under Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Act, with effect from the Appointed Date in accordance with the circular dated August 21, 2019, issued by Ministry of Corporate Affairs (MCA).
- 18.2** All the assets and liabilities of the Merging Companies shall be recognized in the books of the Transferee Company at the values as prescribed by the applicable accounting standards and notified under the provisions of the Act. The difference between the consideration and the value of assets and liabilities recognised shall be accounted as per applicable accounting standards.
- 18.3** Inter-company balances, if any, between the Merging Companies and the Transferee Company, appearing in the books of account of the Merging Companies and Transferee Company shall stand cancelled without any further act or deed, upon this Composite Scheme becoming effective.
- 18.4** Further any adjustments may be made to harmonise the accounting policies of the Merging Companies with the Transferee Company.
- 18.5** In case of any differences in accounting policies between the Merging Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies shall be ascertained and the impact of the same shall be accounted as per applicable accounting standards.
- 18.6** Notwithstanding the above, the Board of Directors of the Transferee Company, is authorized to modify such accounting treatment so as to comply with applicable accounting standards and the clarifications/ guidance provided by the Institute of Chartered Accountants of India.

19. CONDUCT OF BUSINESS FROM APPOINTED DATE UPTO THE EFFECTIVE DATE:

- 19.1** The Transferor Companies with effect from the Appointed Date and up to and including the Effective Date:
- 19.1.1** shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Transferee Company;
- 19.1.2** all loans raised and all liabilities and obligations incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Composite Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the undertaking of the Merging Companies shall vest in terms of this Composite Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and

19.1.3 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:

19.1.3.1 when the same is expressly provided in this Composite Scheme; or

19.1.3.2 when the same is in the ordinary course of business as carried on, as on the date of filing of this Composite Scheme with the Tribunal; or

19.1.3.3 when permission of the Transferee Company has been obtained (pursuant to this Composite Scheme) in this regard;

19.1.4 except as contemplated in this Composite Scheme (or as may be mutually agreed in writing between the Merging Companies, Transferee Company and the relevant stakeholders) pending sanction of this Composite Scheme, the Merging Companies shall not make any change in its capital structure either (i) by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies) and/ or (ii) by way of recording/ permitting any transfer/ sale of shares or other securities of the Merging Companies;

19.1.5 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: (a) that in the ordinary course of business; and (b) any acquisitions as may be mutually agreed in writing between the Merging Companies, Transferee Company and the relevant stakeholders; (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 Transferee Company ;

19.1.6 shall not use the name, trademark, copyrights etc. associated with the Transferor Companies in any manner that may directly or indirectly disparage such name, trademark, copyrights etc.;

19.1.7 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 prior written consent of the Transferee Company; and

19.1.8 shall not amend its Memorandum of Association or Articles of Association, except with the prior written consent of the Transferee Company, unless required to be done pursuant to actions between the Appointed Date 2 and Effective Date expressly permitted under this Composite Scheme.

19.2 From the Effective Date, the Transferee Company shall carry on and shall be entitled to carry on the business of the Merging Companies.

and authorities concerned as are necessary under any Applicable Law for such Permits which the Transferee Company may require to carry on the business of the Merging Companies and to give effect to the Composite Scheme.

19.4 The Transferee Company shall be entitled to credit the tax paid including, but not limited to, credit of the tax deducted at source, tax collected at source and credit under GST law, in relation to the Merging Companies, for the period between the Appointed Date 2 and the Effective Date.

19.5 For the purpose of giving effect to the merger order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Composite Scheme by the Appropriate Authority, the Transferee Company shall, at any time pursuant to the orders approving this Composite Scheme, be entitled to get the recordal of the change in the legal right(s) upon the merger of the Merging Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company is and 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 Composite Scheme.

20. DECLARATION OF DIVIDEND, BONUS, ETC.

20.1 The Merging Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim and / or final, to their respective shareholders prior to this Composite Scheme becoming effective in the ordinary course of business.

20.2 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 member of the Merging Companies or Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of the Merging Companies or Transferee Company, as the case may be, and subject, wherever necessary, to the approval of the shareholders of the Merging Companies or Transferee Company, as the case may be.

21. SAVING OF CONCLUDED TRANSACTIONS

The vesting of the undertaking of the Merging Companies as above and the continuance of proceedings by or against the Merging Companies shall not affect any transaction or proceedings already concluded on or after the Appointed Date 2 till the Effective Date in accordance with this Composite Scheme, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Merging Companies in respect thereto as done and executed on behalf of the Transferee Company.

22. DISSOLUTION OF TRANSFEROR COMPANY 1, TRANSFEROR COMPANY 2, AND RESULTING TRANSFEROR COMPANY 3

22.1 Upon coming into effect of this COMPOSITE SCHEME, Transferor Company 1, Transferor Company 2, and Resulting Transferor Company 3 shall stand dissolved without winding-up, without any further act or deed. These Companies shall be removed from the register of the Registrar of Companies on the effectiveness of

PART IV

MODIFICATION/ ALTERATION IN THE TRANSFEE COMPANY

23. CONVERSION OF TRANSFREE COMPANY FROM PRIVATE COMPANY LIMITED BY SHARES TO PUBLIC COMPANY LIMITED BY SHARES

Upon coming into effect of this COMPOSITE SCHEME, the Transferee Company will be deemed to have undertaken all procedures required under Section 14(1) of the Act to become a public company from a private limited company and the Memorandum of Association and Articles of Association of Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of Transferee Company to the COMPOSITE SCHEME shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be.

24. CHANGE IN NAME OF TRANSFEE COMPANY

24.1 Upon the COMPOSITE SCHEME becoming effective and with effect from the Appointed Date, and subject to the provisions of this COMPOSITE SCHEME and pursuant to applicable provisions of the Act, the name of the Transferee Company shall stand changed to **“NIRANI SUGARS LIMITED”** (**“New Name”**) without any further act, instrument or deed on the part of Transferee Company and the Memorandum of Association and Articles of Association of Transferee Company (relating to the name) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of Transferee Company to the COMPOSITE SCHEME shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be.

24.2 Clause I of the Memorandum of Association of the Transferee Company would be substituted and be read as follows:

“The Name of the Company is NIRANI SUGARS LIMITED”

Or such other name is may be approved by the Central Registration Centre (CRC), Ministry of Corporate Affairs.

Further, the name wherever it occurs in the articles of association of the Transferee Company be substituted by the new name.

25. COMBINATION OF AUTHORISED CAPITAL

Upon coming into effect of this COMPOSITE SCHEME and with effect from the Appointed Date, the authorised share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company and the Memorandum of Association and Articles of Association of Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent

resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorised capital of Transferor Companies shall be utilised and applied to the increased authorised share capital of Transferee Company and if any stamp duty or other fees required to be paid, the same will be paid by the transferee company for increase in the authorized share capital to that extent.

Consequent upon the COMPOSITE SCHEME becoming effective, the authorised share capital of Transferee Company will be as under:

Authorised Share Capital	Amount (INR)
150,00,00,000 Equity shares of INR 10/- par value	15,00,00,00,000
Total	15,00,00,00,000

Further, Clause V of the Memorandum of Association of the Transferee Company would be substituted and be read as follows:

“The Authorised Share Capital of the Company is INR 15,00,00,00,000 (Indian Rupees one thousand five hundred crores only) divided into 150,00,00,000 Equity Shares of face value of INR 10/- (Indian Rupees Ten) each.”

PART V

GENERAL TERMS & CONDITIONS

26. DIVIDENDS

- 26.1** The Parties shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.
- 26.2** 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 any of the Parties, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and the Transferee Company, as the case may be, and subject to approval, if required, of the shareholders of the Transferor Companies and the Transferee Company, as the case may be.

27. BUSINESS UNTIL EFFECTIVE DATE

- 27.1** With effect from the date of approval of the COMPOSITE SCHEME by the respective Boards of the Parties and up to and including the Effective Date:
- 27.1.1** The Transferor Companies shall, with respect to the respective Undertakings, carry on the business with reasonable diligence and business prudence and in the same manner as the Transferor Companies had been doing hitherto;
- 27.1.2** The Transferee Company shall be entitled, pending the sanction of the COMPOSITE SCHEME, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Transferee Company may respectively require to carry on the relevant business of the Transferor Companies and to give effect to the COMPOSITE SCHEME.
- 27.2** In case the Effective Date is later than the Appointed Date, Transferor Companies, with effect from the Appointed Date and up to and including the Effective Date:
- 27.2.1** shall be deemed to have been carrying on and shall carry on its business and activities in relation to the Undertakings and shall be deemed to have held and stood possessed of the Undertakings and shall hold and stand possessed of the assets of the respective Undertakings for and on account of, and in trust for the Transferee Companies;
- 27.2.2** all profits or income arising or accruing to the Transferor Companies in relation to the respective Undertakings and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses of the Transferee Company; and

- 27.2.3** all loans raised and all liabilities and obligations incurred by Transferor Companies after the Appointed Date and prior to the Effective Date in relation

the Transferee Company, in which the relevant Undertaking shall vest in terms of this COMPOSITE SCHEME and to the extent they are outstanding on the Effective Date, shall also, without any further act, instrument or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company.

- 27.3** 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 COMPOSITE SCHEME by the Tribunal, the Transferee Company shall, at any time pursuant to the orders approving this COMPOSITE SCHEME, be entitled to get the legal right to make necessary recordal changes in its name in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall always be deemed to have been authorised 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 COMPOSITE SCHEME. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this COMPOSITE 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 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 Authorities in favour of the Transferee Companies pursuant to the sanction of this COMPOSITE SCHEME by the Tribunal and upon the effectiveness of this COMPOSITE 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.

28. PROPERTY IN TRUST

Notwithstanding anything contained in this COMPOSITE SCHEME, on or after Effective Date, it is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the respective Transferor Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Transferee Company.

29. FACILITATION PROVISIONS

- 29.1** Notwithstanding the existing limits under Section 180(1)(c) of the Act, the Board of the Transferee Company shall be deemed to have been authorised to take loans upto an aggregate amount of INR 20,00,00,00,000/- (Indian Rupees Two Thousand Crores only) in order to facilitate the borrowing by the Transferee Company, notwithstanding the limits under Section 180(1)(a) of the Act, the Boards of the Transferee Company are authorised to pledge/ hypothecate/ mortgage and/ or charge the assets, both movable and immovable upto the borrowing limit authorised under Section 180(1)(c).

- 29.2** It is clarified that the approval of this COMPOSITE SCHEME by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 180(1)(c) and 180(1)(a) of the Act, as the case may be and any other applicable provisions of the Act and that no separate approval from the

30. APPLICATIONS/PETITIONS TO THE TRIBUNAL

- 30.1** The Parties shall dispatch, make and file one single Composite petitions under Sections 230 to 232 and other applicable provisions of the Act before National Company Law Tribunal, Bengaluru Bench, being the Jurisdictional Tribunal, as the Registered Office of all the Parties are situated in the state of Karnataka, for sanction and approvals of this COMPOSITE SCHEME under the provisions of this Act.
- 30.2** The Parties shall be entitled, pending the sanction of the COMPOSITE SCHEME, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Parties may require to own the assets and/or liabilities of the respective businesses and to carry on the respective Businesses.

31. MODIFICATION OR AMENDMENTS TO THIS COMPOSITE SCHEME

On behalf of each of the Parties, the Board of the respective Parties acting themselves or through authorised Persons, may consent jointly but not individually, on behalf of all Persons concerned, to any modifications or amendments to this COMPOSITE SCHEME at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority 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 Parties) and solve all difficulties that may arise for carrying out this COMPOSITE SCHEME and do all acts, deeds and things necessary for putting this COMPOSITE SCHEME into effect.

For the purposes of giving effect to this COMPOSITE SCHEME or to any modification hereof, the Boards of the Parties acting themselves or through authorised 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 COMPOSITE SCHEME.

32. IMPLEMENTATION OF THE COMPOSITE SCHEME

- 32.1** Part II of the COMPOSITE SCHEME shall be made effective first. Part III of the COMPOSITE SCHEME will be made effective successively *in seriatim* and immediately.
- 32.2** It is hereby clarified that submission of this COMPOSITE SCHEME to National Company Law Tribunal, Bengaluru Bench, being the Jurisdictional Tribunal, as the Registered Office of all the Parties are situated in the state of Karnataka and to the Appropriate Authorities for their respective approvals, is without prejudice to all rights, interests, titles or defences that the Parties may have under or pursuant to all Applicable Law.
- 32.3** On the approval of this COMPOSITE SCHEME by the shareholders of the Parties and such other classes of Persons relating to the Parties, if any, 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 to all the matters related or arising pursuant to the COMPOSITE SCHEME.

33. NON-RECEIPT OF APPROVALS AND REVOCATION/WITHDRAWAL OF THIS COMPOSITE SCHEME

- 33.1** The Parties acting jointly through their respective Boards shall each be at liberty to withdraw from this COMPOSITE SCHEME or any part thereof.
- 33.2** In the event the COMPOSITE SCHEME not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before such date as may be agreed to by the Parties, this COMPOSITE 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 COMPOSITE SCHEME.
- 33.3** In the event of revocation/withdrawal of the COMPOSITE SCHEME under Clause 25.1 or Clause 25.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se by the Transferor Companies and by the Transferee 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 COMPOSITE SCHEME or in accordance with Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

34. COSTS AND EXPENSES

All costs, charges and expenses payable in relation to or in connection with this COMPOSITE SCHEME and incidental to the completion of the transfer and vesting of the Undertakings in the Transferee Company in pursuance of this COMPOSITE SCHEME including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne and paid by the Transferee Company, except in the event of this COMPOSITE SCHEME not taking effect as provided in Clause 25 above in which case, each party shall bear and pay its own costs, charges and expenses incurred in relation to or in connection with this COMPOSITE SCHEME.

35. CONDITIONALITY OF THE COMPOSITE SCHEME

This COMPOSITE SCHEME is and shall be conditional upon and subject to:

- 35.1** The sanctioning of this COMPOSITE SCHEME by National Company Law Tribunal, Bangalore Bench, being the Jurisdictional Tribunal, as the Registered Office of all the Parties are situated in the state of Karnataka, whether with any modifications or amendments as the Tribunal may deem fit or otherwise;
- 35.2** The filing of the certified copies of the order sanctioning the COMPOSITE SCHEME with the respective Registrar of Companies by the Parties.

36. MISCELLANEOUS

- 36.1** For the avoidance of doubt, it is hereby clarified that nothing in this COMPOSITE SCHEME shall prevent the Transferee Company from any corporate actions

any other manner subject to compliance of Applicable Laws during pendency of this COMPOSITE SCHEME, (ii) conducting a buyback of its equity shares or (iii) initiating any additional COMPOSITE SCHEME involving the Transferee Company.

- 36.2** If any part of this COMPOSITE SCHEME hereof is invalid, ruled illegal by NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and the Transferee Company that such part shall be severable from the remainder of the COMPOSITE SCHEME, and the COMPOSITE SCHEME shall not be affected thereby, unless the deletion of such part shall cause this COMPOSITE SCHEME to become materially adverse to any party to the COMPOSITE SCHEME, in which case the parties to the COMPOSITE SCHEME shall attempt to bring about a modification in the COMPOSITE SCHEME, as will best preserve for the parties to the COMPOSITE SCHEME, the benefits and obligations of the COMPOSITE SCHEME.

VALUATION & SWAP RATIO REPORT

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SECTION I - VALUATION SUMMARY

The Engagement:

I, Mr. V GANGADHARA RAO N., REGISTERED VALUER, Hyderabad, have been appointed by M/s. MRN Chamundi Canepower and Biorefineries Private Limited (Transferee Company) for carrying out the valuation and swap ratio in relation to the proposed composite Scheme of Amalgamation ("Scheme") to be filed with Bangalore bench of National Company Law of Tribunal (NCLT) inter-alia consisting of the following transactions.

- a) **The Scheme:** Amalgamation of M/s. Badami Sugars Limited (Transferor Company 4) and M/s. Shree Kedarnath Sugar and Agro Products Limited (Transferor Company 5) into M/s. Shri Sai Priya Sugars Limited (Transferor Company 3) with effect from Appointed Date April 1, 2022.

Amalgamation of M/s. Nirani Sugars Limited (Transferor Company 1), M/s. MRN Cane Power India Limited (Transferor Company 2) and M/s. Shri Sai Priya Sugars Limited (Transferor Company 3) with M/s. MRN Chamundi Canepower and Biorefineries Private Limited (Transferee Company) with effect from Appointed Date October 1, 2022. As per the engagement of valuation, we issued this valuation report, dated 03rd January 2023 summarized herein, including the appendices. This Valuation Report is subject to the Statement of assumptions and limiting conditions contained in Appendix A.

Purpose of Valuation: To Determine the Share Exchange Ratio in respect of the Amalgamation as specified in the Scheme

Premise of Value: The Companies are valued on "going-concern" basis.

Basis of Value: Fair Value



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Conclusions and Recommendations

Since the Transferor Company 4 and Transferor Company 5 are wholly owned subsidiaries of Transferor Company 3, under the scheme the Transferor Company 4 and Transferor Company 5 gets first merged into the Transferor Company 3 and there shall not be any consideration involved under the proposed merger.

M/s. MRN Chamundi Canepower and Biorefineries Private Limited (Transferee Company) shall issue shares to the shareholders of M/s. Nirani Sugars Limited (Transferor Company 1), M/s. MRN Cane Power India Limited (Transferor Company 2) and M/s. M/s. Shri Sai Priya Sugars Limited (Transferor Company 3) in the following share exchange ratio

The Share exchange ratio in respect of Consideration in the form of Equity Shares for the Proposed Amalgamation is depicted as follows:

Share Exchange Ratio for shareholders of M/s. Nirani Sugars Limited (Transferor Company 1)

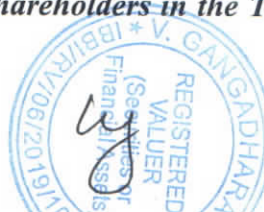
"3,084 fully paid up equity shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 100/- (Rupees Hundred only) each held by shareholders in the Transferor Company 1".

Share Exchange Ratio for shareholders of M/s. MRN Cane Power India Limited (Transferor Company 2)

"138" fully paid up equity shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 10/- (Rupees Ten only) each held by shareholders in the Transferor Company 2".

Share Exchange Ratio for shareholders of M/s. Shri Sai Priya Sugars Limited (Transferor Company 3)

"449" fully paid up equity shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 10/- (Rupees Ten only) each held by shareholders in the Transferor Company 3".



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The Share exchange ratio in respect of Consideration in the form of Optionally Convertible Preference shares for the Proposed Amalgamation is depicted as follows:

Share Exchange Ratio for shareholders of M/s. Nirani Sugars Limited (Transferor Company 1)

"3,084 fully paid up Optionally Convertible Preference shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 100/- (Rupees Hundred only) each held by shareholders in the Transferor Company 1".

Share Exchange Ratio for shareholders of M/s. MRN Cane Power India Limited (Transferor Company 2)

"138" fully paid up Optionally Convertible Preference shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 10/- (Rupees Ten only) each held by shareholders in the Transferor Company 2".

Share Exchange Ratio for shareholders of M/s. Shri Sai Priya Sugars Limited (Transferor Company 3)

"449" fully paid up Optionally Convertible Preference shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 10/- (Rupees Ten only) each held by shareholders in the Transferor Company 3".



II - APPOINTMENT FOR DETERMINATION OF VALUE & EXCHANGE RATIO

I, **MR. V GANGADHARA RAO N.**, Registered Valuer, Hyderabad, have been appointed by M/s. MRN Chamundi Canepower and Biorefineries Private Limited (Transferee Company) to undertake the valuation to determine fair value of equity shares of M/s. Nirani Sugars Limited (Transferor Company 1), M/s. MRN Cane Power India Limited (Transferor Company 2), M/s. Shri Sai Priya Sugars Limited (Transferor Company 3), in relation to the proposed Scheme of amalgamation provided in the Scheme, as a prelude to business consolidation and also to determine the share exchange ratio for the proposed Scheme of Amalgamation.

The proposed Scheme is presented under sections 230 to 232 read with other and applicable provisions of the Companies Act, 2013, and rules framed thereunder

SCOPE OF ENGAGEMENT

While performing the valuation exercise, an examination and analysis has been carried out in respect of following aspects of the activities, of the companies such as:

- Background of the companies
- Historical performance and financial position based on audited financial statements for the year ended 31st March, 2022 and Provisional Financial Statements for the period ended 30th September 2022 of the M/s. Nirani Sugars Limited, M/s. MRN Cane power India Limited, M/s. Shri Sai Priya Sugars Limited, M/s. Badami Sugars Limited, M/s. Shree Kedarnath Sugar and Agro Products Limited and M/s. MRN Chamundi Canepower and Biorefineries Private Limited
- Projections of Transferor and Transferee Companies till FY 2032-33

Considering the above, we have carried out the valuation of the companies and suggested a share exchange ratio for the purpose of the proposed amalgamation on the basis of fair value of the equity shares of the Transferor and Transferee Companies.



SOURCE OF INFORMATION

For the purpose of the valuation exercise, we have relied upon the following sources of information and/ or documents as provided by the management of the Companies.

- Audited financial statements of the Transferor and Transferee Companies for financial year ended 31st March, 2022, Provisional Financial statements of the Transferor and Transferee Companies for the period ended 30th September 2022.
- Memorandum and Articles of Association of the Companies;
- Draft Scheme of Amalgamation
- Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects and other relevant information and data;
- Corporate Structure of the Companies, details of subsidiary companies and their operations and financials etc.
- Financial Projections of the Transferor and Transferee Companies.



**III - BACKGROUND OF THE COMPANIES INVOLVED IN THE
SCHEME OF AMALGAMATION****M/S. NIRANI SUGARS LIMITED (TRANSFEROR COMPANY 1)**

M/s. Nirani Sugars Limited ('NSL' or 'the Company') is a closely held public company incorporated on 06th December 1995 and has its registered office situated at KULALI CROSS, JAMKHANDI, MUDHOL, DIST. BAGALKOT. MUDHOL, KA, IN

The Company is incorporated with the object of carrying the business of purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally to deal in sugar, sugar-candy, jiggery, sugar-beet, sugar cane, bagasse, molasses and all sugar products.

Sugar Division

Since Nirani Sugars Ltd's inception, the objective remains to manufacture and supply organic sugar, pure sugar & refined sugar prepared as the finest quality. Latest machines and technologically qualified resources helps to produce sugars in the best of quality. They constantly use and evolve newer designs, diversifying the activities to meet the needs of the changing times and the improving technology base. The creative vision of the management has helped to stay in the forefront of the technological developments in the sugar industry.

Co-generation Division

The Bagasse being a highly combustible byproduct of the sugar cane is used to heat the boilers, where steam is produced which resultantly generates high power of electricity for self-sufficient consumption besides offering to the nearby villages in and around the region they operate. They care for the environment, so they do their best not to pollute the environment in any circumstance. The company uses latest technology tools and resources in order to safeguard the environment.



Capital Structure as on 30th Sep 2022

SHARE CAPITAL	Amount
Authorized Capital	
2,00,00,000 Equity Shares of Rs. 100/- each	2,00,00,00,000
Total	2,00,00,00,000
Issued, Subscribed and Paid-Up Capital	
1,68,53,198 Equity Shares of Rs. 100/- each	1,68,53,19,800
Total	1,68,53,19,800

M/S. MRN CANE POWER INDIA LIMITED (TRANSFEROR COMPANY 2)

M/s MRN Cane Power India Limited ('MRN' or 'the Company') is a closely held public company incorporated on 24th February 2011 and has its registered office situated at NO.342, KALLAPUR (S.K.), TALUK BADAMI BAGALKOT, KA 587155 IN

The Company is incorporated with the object of carrying the business of refine, manufacture, produce, boil, import, export, sell and generally to deal in Sugar, Sugar-candy, Jaggery, Sugar-beet, Sugar-Cane, molasses, syrups, melada, alcohol, spirits and all sugar products

An integrated industrial initiative from Nirani Group of Industries, MRN Cane Power Ltd. is an ambitious venture from the parent company. It has welcomed tremendous growth in just two decades. This large scale project in Karnataka state remains highly noticeable one for implying innovative efforts to bring cane power & sugars in the realm of sustainable industrial empowerment for growth.

Capital Structure as on 30th September 2022

Particulars	Amount
Authorized Share Capital 15,00,00,000 Equity shares of Rs. 10/- each	1,50,00,00,000
Issued, Subscribed and Paid up share Capital 9,50,00,000 Equity shares of Rs. 10/- each	95,00,00,000



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M/S. SHRI SAI PRIYA SUGARS LIMITED (TRANSFEROR COMPANY 3)

M/s. Shri Sai Priya Sugars Limited ('SSPSL' or 'the Company') is a closely held public company incorporated on 17th January 2002 and has its registered office situated at GOPAL CHEMBEROPP, BUS STAND JAMAKANDI, BAGALKOT KA, IN.

The Company is incorporated with the object of carrying the business of manufacture, produce, importers and exporters of and dealers in all kinds of sugar, cane sugar, beat sugar, starch sugar, gur, khandasari sugar and jiggery and all kinds of sugar products

Shri Sai Priya Sugars Ltd. is one of the most successful and well-established ventures of MRN Group. It has already emerged into world's leading manufacturers and suppliers of organic sugar, pure sugar & refined sugar from Bagalkot, Karnataka (India)

Divisions

- Sugar Division
- Co-generation Division

Capital Structure as on 30th September 2022

Particulars	Amount
Authorized Share Capital 20,00,00,000 Equity shares of Rs. 10/- each	2,00,00,00,000
Issued, Subscribed and Paid up share Capital 16,61,35,600 Equity shares of Rs. 10/- each	1,66,13,56,000

BADAMI SUGARS LIMITED (TRANSFEROR COMPANY 4)

M/s. Badami Sugars Limited is a Company incorporated on 01st January 2002, bearing CIN: U15429KA2002PLC029955 and having its Registered office situated at CHALUKYA NAGAR, BAGALKOT DIST. BADAMI Bagalkot KA 587201 IN

The Company was engaged in the business of production and dealing in sugar and sugar related products and is also involved in cogeneration of power. BSL is a wholly owned subsidiary of SSPSL (Transferor Company 3)



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Capital Structure

Particulars	Amount
Authorized Share Capital 2,00,00,000 Equity shares of Rs. 10/- each	20,00,00,000
Issued, Subscribed and Paid up share Capital 1,99,58,960 Equity shares of Rs. 10/- each	19,95,89,600

M/S. SHREE KEDARNATH SUGAR AND AGRO PRODUCTS LIMITED (TRANSFEROR COMPANY 5)

M/s. Shree Kedarnath Sugar and Agro Products Limited is a Company incorporated on 19th July 2001 and CIN: U51229KA2001PLC160580 and having its Registered Office situated at KULALI CROSS JAMKHANDI ROAD MUDHOL Bagalkot KA 587313 IN. The Company is engaged in the business of production and dealing in sugar and sugar related products and is involved in cogeneration of power. Kedarnath Sugar is a wholly owned subsidiary of SSPSL (Transferor Company 3)

Capital Structure

SHARE CAPITAL	Amount
Authorized Capital	
10,00,00,000 Equity Shares of Rs. 10/- each	1,00,00,00,000
Issued, Subscribed and Paid-Up Capital	
9,70,07,720 Equity Shares of Rs. 10/- each	97,00,77,200



**M/S. MRN CHAMUNDI CANEPOWER AND BIOREFINERIES PRIVATE LIMITED
(TRANFEREE COMPANY)**

M/s MRN Chamundi Canepower and Biorefineries Private Limited is a Private company incorporated on 30th December 2020 and has its registered office situated at Survey No. 166, Kulali Cross, Jamkhandi Mudhol Road, Bagalkot Bagalkot KA 587313 IN

The Company is incorporated with the object of carrying the business of refine, manufacture, produce, boil, import, export, sell and generally to deal in Sugar, Sugar-candy, Jaggery, Sugar-beat, Sugar-Cane, molasses, syrups, melada, alcohol, spirits and all sugar products

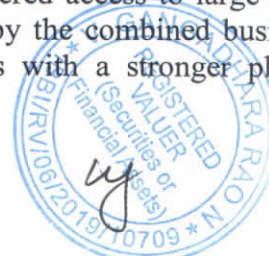
Capital Structure as on 30th September 2022

Particulars	Amount
Authorized Share Capital 1,00,000 Equity shares of Rs. 10/- each	10,00,000
Issued, Subscribed and Paid up share Capital 10,000 Equity shares of Rs. 10/- each	1,00,000



IV - INTEGRATION VIA AMALGAMATION**OBJECTS & RATIONALE OF THE SCHEME OF AMALGAMATION**

1. Transferor Company 4 and Transferor Company 5 are wholly owned subsidiaries of the Transferor Company 3, and their business is aligned with the business of the Transferor Company 3.
2. The Parties are desirous of amalgamating the Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and Transferor Company 5, into the Transferee Company.
3. Towards achieving consolidation of the operations relating to sugar and power cogeneration business of the Transferor Companies will be transferred into the Transferee Company through amalgamation.
4. The amalgamation of the Transferor Companies with the Transferee Company would inter alia have the following benefits:
 - (a) Combining the resources, expertise and know-how of the Business of the Transferor Companies into the Transferee Company in their respective fields and the businesses of all the Transferor Companies shall be carried on into one single entity dealing in sugar and power cogeneration to provide a larger base for the sugar and power cogeneration business of the Transferor Companies;
 - (b) Streamlining the corporate structure by housing the business under one entity and consolidation of sugar and power co-generation business within the Transferee Company will result in reduction in operational costs, legal and regulatory compliances and duplication of processes resulting in internal economies and optimized profitability;
 - (c) Achieving material synergies for the benefit of shareholders, a large common shareholder base and a stable market perception;
 - (d) Pooling of resources of the Business with the resources of the Transferee Company resulting in stronger financial position, i.e., balance sheet and net worth to meet future investment requirements;
 - (e) Achieve greater integration and greater financial strength and flexibility for the combined entity leading to a stronger negotiation power in the market and strengthened leadership in the industry;
 - (f) Achieve greater efficiency in cash management and unfettered access to large cash flows, effective and centralised management of funds generated by the combined business which can be deployed more efficiently to fund larger projects with a stronger platform and strengthen brand visibility;



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- (g) Achieve business growth in a more advantageous manner by combining all the businesses undertaken by the Parties into one and thereby provide an integrated offering to stakeholders as well as external customers/ agencies;
- (h) Achieve cost savings on account of reduction of various statutory and regulatory compliances, elimination of arm's length margins, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses and simplification of structure;
- (i) Optimum utilization of available resources to make management control systems more efficient and effective which will enhance the management focus thereby leading to higher profitability and increase in the shareholders' value;
- (j) Stronger balance sheet resulting in improved allocation of capital, broader access to capital markets and lower cost of capital and
- (k) As an overall point, the consolidation of Sugar and Co-Generation business will lead to the formation of a stronger entity having greater capacity for conducting its operations more efficiently and competitively.

Thus, the Scheme of amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the Transferor Companies and the Transferee Company and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

- 5. The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
- 6. The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties.



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TRANSFER AND VESTING OF THE TRANSFEROR COMPANY 1, TRANSFEROR COMPANY 2, THE TRANSFEROR COMPANY 3, TRANSFEROR COMPANY 4 AND THE TRANSFEROR COMPANY 5 INTO THE TRANSFeree COMPANY

MERGER OF ALL THE BUSINESSES OF THE TRANSFEROR COMPANIES, WITH THE BUSINESS OF THE TRANSFeree COMPANY

4. TRANSFER AND VESTING OF THE ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF TRANSFEROR COMPANY 1, TRANSFEROR COMPANY 2, THE TRANSFEROR COMPANY 3, TRANSFEROR COMPANY 4 AND THE TRANSFEROR COMPANY 5 WITH THE BUSINESS OF THE TRANSFeree COMPANY.

4.1 Upon the Scheme becoming effective and with effect from the respective Appointed Dates i.e., April 1, 2022 and October 1, 2022, and subject to the provisions of the Scheme and pursuant to Section 230 to 232 of the Act, the entire business of the Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and the Transferor Company 5 shall stand transferred and vested with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, Employees, Permits, records, etc. of the Business of the Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and the Transferor Company 5 (collectively, the “**Merging Businesses**”) shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, records, etc. of the Transferee Company by virtue of, and in the manner provided in the Scheme.

4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective and with effect from the Appointed Date:

4.2.1 With respect to the assets of the Merging Businesses that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and / or delivery, the same may be so transferred by the Merging Businesses by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date. The order sanctioning the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting and as the context may provide, by physical or constructive delivery, or by endorsement and delivery or by mere operation of the order of the Tribunal sanctioning the Scheme, in accordance with the Act, as appropriate to the nature of the movable property vested. The title to such property shall be deemed to have been recognised as that of the Transferee Company;

4.2.2 Subject to Clause 4.2.3 below, with respect to the assets of the Merging Businesses, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investment in shares of any body corporate, fixed deposits, mutual funds, bonds and any other securities, sundry debtors,



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outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, cash and bank balances, earnest moneys, deposits or refunds, if any, with any Appropriate Authority, customers and other persons, whether or not the same is held in the name of the Merging Businesses, shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law a transmission, as the case may be, in favour of Transferee Company. The Transferee Company shall subsequent to the order of the Tribunal be entitled to the delivery and possession of all documents of title of such movable property in this regard. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required;

- 4.2.3 Without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances) and all rights thereto, whether or not included in the books of the Merging Businesses, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Merging Businesses, without any act or deed to be done or executed by the Merging Businesses and / or the Transferee Company, as the case may be. Such assets shall stand vested in the Transferee Company and shall be deemed to be and have become the property of the Transferee Company by operation of law. Transferee Company shall be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. The Transferee Company shall, pursuant to the order of the Tribunal be entitled to the delivery and possession of all documents of title to such immovable property;

- 4.2.4 Notwithstanding any provision to the contrary, until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and / or perfected, in the records of the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies, in favour of the Transferee Company, the Transferee Company is deemed to be authorised to carry on business in the name and style of the Merging Businesses under the relevant agreement, deed, lease and / or license, as the case may be, and the Transferee Company shall keep a record and / or account of such transactions;

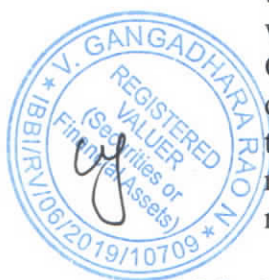


- 4.2.5 Notwithstanding anything contained in the Scheme, in relation to the immovable properties of the Merging Businesses as the Board of the Transferee Company may determine, whether owned or leased, whether executed before or after the Effective Date, the parties shall be entitled to do all such acts, deeds and things as may be deemed necessary to record the change in ownership in the revenue records (including execution of separate deeds of conveyance or deed of assignment of lease(s), as may be required), in favour of the Transferee Company

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in respect of such immovable properties;

- 4.2.6 Upon the Scheme becoming effective, the title to immovable properties of the Merging Businesses whether owned or leased, shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the Appropriate Authorities shall suffice as record of continuing titles with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. It is hereby clarified that all the rights, title and interest of the Merging Businesses in any leave and license, leasehold properties and owned properties shall, pursuant to Section 232 of the Companies Act, 2013 and the provisions of the Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company;
- 4.2.7 All debts, liabilities, duties and obligations (debentures, commercial paper, bonds, notes or other debt securities, loan from companies) of the Merging Businesses shall, without any further act, instrument or deed be transferred to, and vested in, and / or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Merging Businesses, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4.2.7. Where any of the liabilities of the Merging Businesses as on the Appointed Date deemed to be transferred to the Transferee Company, have been discharged by the Merging Businesses after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of and for the benefit of the Transferee Company;
- 4.2.8 All intangible assets, including all the brands and trademarks (including logo and right to use the trademarks) of the Merging Businesses including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and be vested in the Transferee Company, as successor to the Merging Businesses, without any act or deed to be done or executed by the Merging Businesses and / or the Transferee Company, as the case may be. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and / or registered in the name of the Transferee Company;
- 4.2.9 The vesting of the entire undertaking of the Merging Businesses, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Merging Businesses or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Merging Businesses are a party) related to any assets of Merging Businesses shall be so construed to the end and



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intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under the Scheme for any loans, debentures, deposits or other financial assistance already availed of / to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;

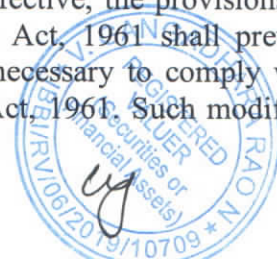
4.2.10 On and from the Effective Date and till such time that the name of the bank accounts of the Merging Businesses has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Merging Businesses in the name of the Merging Businesses and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Merging Businesses 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;

4.2.11 Without prejudice to the foregoing provisions of Clause 4, the Merging Businesses and the Transferee Company shall be entitled to apply to the Appropriate Authorities as are necessary under any Applicable Law for such Permits which the Transferee 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 ROC or filing of necessary applications, notices, intimations or letters with any authority or Person, to give effect to the above provisions; and

4.2.12 Benefits of any and all corporate approvals as may have already been taken by the Merging Businesses, whether being in the nature of compliances or otherwise under the Act, shall stand vested in the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Transferee Company.

4.3 Without prejudice to the foregoing Clauses and upon the Scheme becoming effective, the Merging Businesses and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the ROC, to give formal effect to the above provisions, if required.

4.4 The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.



SCOPE OF VALUATION

The Valuation analysis is performed to ascertain the value of the Equity of M/s. Nirani Sugars Limited, M/s. MRN Cane Power India Limited, M/s. Shri Sai Priya Sugars Limited (on a consolidated basis including Badami Sugars Limited (Transferor Company 4) and M/s. Shree Kedarnath Sugar and Agro Products Limited (Transferor Company 5) and M/s. MRN Chamundi Canepower and Biorefineries Private Limited for the purpose of determining the valuation and the share Exchange ratio in respect of the proposed Amalgamation in accordance with the Scheme.

V- BASIS OF VALUE & PREMISE OF VALUE**BASIS OF VALUE**

The basis of value used for determination of value is the Fair Value. Fair value defines fair value as *“Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date”*.

PREMISE OF VALUE

There are two main premises of value in a business valuation, Going-concern value and Liquidation value. The *International Glossary* defines premise of value as “an assumption regarding the most likely set of transactional circumstances that may be applicable to the subject valuation, e.g., going concern, liquidation. This premise is based on facts and circumstances existing on the valuation date. Going-concern value defined by the International Glossary as “the value of a business enterprise that is expected to continue to operate into the future”. Hence, we have considered going concern premise and according to which the business enterprise will continue to carry its operations in future and it has no intention to stop its activities in the near future.



SECTION VI-VALUATION APPROACHES & METHODOLOGY**Valuation Approaches**

As per the Indian Valuation Standard -103 issued by ICAI, A valuer can make use of one or more of the processes or methods available for each of the following valuation approach.

1. Market Approach
2. Income Approach
3. Cost Approach

The appropriateness of a valuation approach for determining the value of an asset would depend on valuation bases and premises. In addition, some of the key factors that a valuer shall consider while determining the appropriateness of a specific valuation approach and method are:

- (a) nature of asset to be valued;
- (b) availability of adequate inputs or information and its reliability;
- (c) strengths and weakness of each valuation approach and method; and
- (d) valuation approach/method considered by market participants.

The valuation approaches and methods shall be selected in a manner which would maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The price information gathered from an active market is generally considered to be a strong indicator of value.

Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a *valuer* applies the market approach:

- (a) where the asset to be valued or a comparable or identical asset is traded in the active market;
- (b) there is a recent, orderly transaction in the asset to be valued; or
- (c) there are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.



Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The following are some of the instances where a *valuer* may apply the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparables; or
- (c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

Cost Approach

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

In certain situations, historical cost of the asset may be considered by the *valuer* where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset.

Examples of situations where a *valuer* applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used.

PRINCIPLE VALUATION METHODS

The following methodologies are normally used for valuation of Companies:

- Replacement Cost Method - Cost Approach
- Reproduction Cost Method - Cost Approach
- Summation Method - Cost Approach
- Adjusted Net Assets Method - Cost Approach
- Discounted Cash Flow(DCF) Method – Income Approach
- Comparable Companies Multiple Method (CCM) – Market Approach
- Comparable Transactions Multiples Method(CTM) – Market Approach



M/s. Badami Sugars Limited (Transferor Company 4) and M/s. Shree Kedarnath Sugar and Agro Products Limited (Transferor Company 5) are integrated into M/s. Shri Sai Priya Sugars Limited as of the appointed date i.e., 01st April 2022

Shareholding pattern of M/s. Badami Sugars Limited (Transferor Company 4)

Name of the shareholder	No of Equity shares held	% of shareholding
Shri Sai Priya Sugars Limited(First Transferee Company)	1,99,58,960	100%
Total	1,99,58,960	100%

Shareholding pattern of M/s. Shree Kedranath Sugar and Agro Products Limited (Transferor Company 5)

Name of the shareholder	No of Equity shares held	% of shareholding
Shri Sai Priya Sugars Limited(First Transferee Company)	16,61,35,600	100%
Total	16,61,35,600	100%

“**Appointed Date**” with respect to Transferor Company 1, Transferor Company 2 and Transferor Company 3 means close of business hours of **1st, October 2022** or such other date as may be approved by the Tribunal and agreed to by the Board of the Transferor Company 1, Transferor Company 2, and Transferor Company 3 and the Transferee Company. And with respect to Transferor 4 and Transferor 5 Appointed Date shall means close of business hours of **1st, April 2022** or such other date as may be approved by the Tribunal and agreed to by the Board of the Transferor Company 3, Transferor 4 and Transferor 5.



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M/s. Badami Sugars Limited (Transferor Company 4) and M/s. Shree Kedranath Sugar and Agro Products Limited (Transferor Company 5) are the wholly owned subsidiaries of the M/s. Shri Sai Priya Sugars Limited (Transferor Company 3). The value of M/s. Badami Sugars Limited (Transferor Company 4) and M/s. Shree Kedranath Sugar and Agro Products Limited (Transferor Company 5) is integrated into the value of M/s. Shri Sai Priya Sugars Limited (Transferor Company 3).

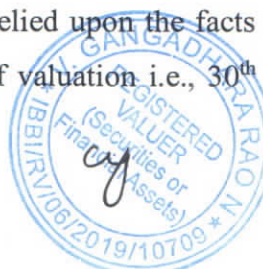
In view of the above, the consideration will be discharged in respect of the consolidated value of Transferor Company 3 to the shareholders of M/s. Shri Sai Priya Sugars Limited (Transferor Company 3) upon its amalgamation with Transferee Company. Hence, the share exchange ratio is not applicable in the case of the Amalgamation of M/s. Badami Sugars Limited (Transferor Company 4) and M/s. Shree Kedranath Sugar and Agro Products Limited (Transferor Company 5) with M/s. Shri Sai Priya Sugars Limited (Transferor Company 3).

The proposal of amalgamation of business of M/s. Nirani Sugars Limited (Transferor Company 1), M/s. MRN Cane Power India Limited (Transferor Company 2) and M/s. Shri Sai Priya Sugars Limited (Transferor Company 3) with the business of M/s. MRN Chamundi Canepower and Biorefineries Private Limited (Transferee Company) has been considered with effect from 1st October, 2022 (Hereinafter referred as "Appointed date").

In the process of Amalgamation, it is necessary to determine the value of share of the M/s. Nirani Sugars Limited (Transferor Company 1), M/s. MRN Cane Power India Limited (Transferor Company 2) and M/s. Shri Sai Priya Sugars Limited (Transferor Company 3) and M/s. MRN Chamundi Canepower and Biorefineries Private Limited (Transferee Company) to ascertain the share exchange ratio.

For determining the share exchange ratio, we have relied upon the Operating results, financial position and other information of the companies for the period ended 30th September, 2022.

Hence, the relevant date of valuation for the purpose of determining share exchange ratio is considered as 30th September, 2022 to reflect the fair valuation of the Equity Shares of Transferor and Transferee Companies. To arrive at the fair value of equity shares of companies and to determine the share exchange ratio of the Equity Shares we have relied upon the facts and figures and other information of the companies' up to the relevant date of valuation i.e., 30th September, 2022



VII - METHOD OF VALUATION ADOPTED FOR THE PROPOSED AMALGAMATION SPECIFIED IN THE SCHEME**NET ASSETS METHOD UNDER COST APPROACH:**

It also involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility ('comparable utility') as that of the asset to be valued, adjusted for obsolescence.

INCOME APPROACH - DISCOUNTED CASH FLOW METHOD (DCF)

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

The following are some of the instances where a *valuer* may apply the income approach:

- (a) Where the asset does not have any market comparable or comparable transaction;
- (b) Where the asset has fewer relevant market comparables; or
- (c) Where *the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.*

The income approach *should* be applied and afforded *significant weight* under the following circumstances:

- (a) The income-producing ability of the *asset* is the critical element affecting value from a *participant* perspective, and/or
- (b) *Reasonable projections of the amount and timing of future income are available for the subject asset*, but there are few, if any, relevant market comparables.

The management has provided us the projected financial statements for future years. We have considered to adopt Discounted Cash Flow (DCF) Method under Income Approach for ascertaining the indicative value of the business.



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**VIII-VALUATION OF EQUITY SHARES OF TRANSFEROR AND
TRANSFeree COMPANIES****VALUATION OF TRANSFEROR AND TRANSFeree COMPANIES
BASED ON THE NET ASSETS METHOD UNDER COST APPROACH****Value per Equity share of M/s. Nirani Sugars Limited (Transferor Company 1)**

The value per Equity share of M/s. Nirani Sugars Limited as per Net Assets Method based on the financial statements for the period ended 30th September 2022 is Rs. 307.85/-

Value per Equity share of M/s. MRN Cane Power India Limited (Transferor Company 2)

The value per Equity share of M/s. MRN Cane Power India Limited as per Net Assets Method based on the financial statements for the period ended 30th September 2022 is Rs. 2.57/-

Value per Equity share of M/s. Shri Sai Priya Sugars Limited (Transferor Company 3)

The value per Equity share of Shri Sai Priya Sugars Limited (on consolidated basis) as per Net Assets Method based on the financial statements for the period ended 30th September 2022 is Rs. 28.76/-

**Value per Equity share of M/s. MRN Chamundi Canepower and Biorefineries Private Limited
(Transferee Company)**

The Company was newly incorporated company and the Company has not commenced any operations. Hence the face value of Equity shares Rs. 10/- each considered as the fair value for determining the share exchange ratio.



**VALUATION OF TRANSFEROR AND TRANSFEREE COMPANIES
BASED ON THE DISCOUNTED CASH FLOW METHOD UNDER INCOME
APPROACH**

The valuation exercise is normally performed on the basis of the widely accepted valuation methods, taking into account information available, market data, market place acceptance and growth in market are considered to be the good indicators of the Company's likely future operating earnings.

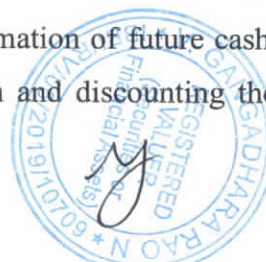
On the basis of aforementioned factors, we have considered to value Shares as per
DISCOUNTED CASH FLOWS METHOD

- Obtained the back ground information about the company.
- Audited Financial statements for the Year ended 31st March, 2022.
- Provisional Financial statements for the period ended 30th September 2022.
- Projections provided by the Management of Transferor and Transferee Companies for the period starting from FY 2022-23 to FY 2032-33.
- We have reviewed the documents Information, explanation and documents provided by the Management personnel and executives
- Performed an analysis on projected financial statement for understanding the nature of business and its earning capacity
- Estimated future free cash flows on the basis of projected financial statements
- We have made reference to and relied upon the information from Investing.com, BSE India, Damodaran.com. and Capitaline.Com

DISCOUNTED CASH FLOW METHOD:

The DCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The valuation under the DCF method depends upon the projections of the future cash flows and the selection of the appropriate discount factor. The DCF methodology is considered to be the most appropriate basis for determining the future earning capability of a business.

Calculation of value under the DCF method involves estimation of future cash flows from the total projects undertaken by the company till their completion and discounting those cash flows using appropriate discounting factor.



$$\text{Value of the Business} = \sum_{t=1}^{t=n} \frac{\text{Expected cash flow}}{(1+r)^t} + \frac{\text{Terminal value}}{(1+r)^n}$$

ESTIMATION OF FREE CASH FLOWS

As indicated above, the future economic benefit, on which financial analysts and business valuer's most frequently focus, is "Net free cash flow", which is defined as follows:

	Net income	XXXX
Add:	Non-cash charges	XXXX
Less:	Non – operating Income	XXXX
Less:	Expenditure incurred on / for capital projects / capital purposes	XXXX
Add/Less:	Changes in working capital	XXXX
Add/Less:	Changes in the balance of Long-term debt	XXXX
	Net cash inflow / (outflow) available	XXXX

In the light of the above, we developed an indication of the value based on a forecast of the entities net cash flows. This forecast is made to reflect the probable net cash flows for the next five years.

ESTIMATION OF CONTINUATION VALUE

Under the going concern premise the cash flows are expected to be derived by the business company beyond explicit period and will grow at constant rate forever. Based on the this premise the terminal (continuation) value of the business can be estimated as

$$TV = \frac{FCF_{t+1}}{(Ke-g)}$$

ESTIMATION OF DISCOUNTING RATE (KE)

The cost of equity (Ke) i.e. the rate at which the future free cash flows are to be discounted is determined using the CAPM model i.e. Capital Asset Pricing Model. The formula for calculating cost of equity under this model is:

$$Ke = K_{rf} + \beta (K_m - K_{rf}) + a$$



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Where

- K_e = expected rate of return on equity
- K_{rf} = risk free rate on bonds
- K_m = expected rate of return on the market
- $K_m - K_{rf}$ = equity risk premium
- β = coefficient of firms' systematic risk
- a = additional risk premium

GROWTH RATE (G) FOR TERMINAL PERIOD

While estimating the terminal value, the estimated growth rate of the business shall be reduced from the cost of equity (K_e). This is required because of the fact that the future growth will offset the risk involved the cash flows.

VALUATION OF M/S. NIRANI SUGARS LIMITED (TRANSFEROR COMPANY 1)

The fair value per equity share of M/s. Nirani Sugars Limited (Transferor Company 1) as per Discounted Cash Flow Method under Income Approach is Rs. 308.99/- for which detailed calculation is enclosed as Annexure to this report.

VALUATION OF M/S. MRN CANE POWER INDIA LIMITED (TRANSFEROR COMPANY 2)

The fair value per equity share of M/s. MRN Cane Power India Limited (Transferor Company 2) as per Discounted Cash Flow Method under Income Approach is Rs. 19.36/- for which detailed calculation is enclosed as Annexure to this report

VALUATION OF M/S. SHRI SAI PRIYA SUGARS LIMITED (TRANSFEROR COMPANY 3)

The fair value per equity share of M/s. Shri Sai Priya Sugars Limited (Transferor Company 3) (on Consolidated basis) as per Discounted Cash Flow Method under Income Approach is Rs. 53.00/- for which detailed calculation is enclosed as Annexure to this report.



IX-FAIR VALUE PER EQUITY SHARE

We have considered the average value per Equity share calculated based on the value per equity share as per the Discounted Cash Flow Method and Net Assets Method

Fair Value per Equity Share of M/s. Nirani Sugars Limited (Transferor Company 1)

Particulars	Total Value (Rs in Lakhs)	No of Equity Shares	Value per share	Weights	Fair Value per Share
Fair value per Equity Share as per Net Assets Method	51,883.02	16853198	307.85	0.50	153.93
Fair Value as per Discounted Cash Flow	52,075.08	16853198	308.99	0.50	154.50
Fair value per Equity Share					308.42

Fair Value per Equity Share of M/s. MRN Cane Power India Limited (Transferor Company**2)**

Particulars	Total Value (Rs in Lakhs)	No of Equity Shares	Value per share	Weights	Fair Value per Share
Fair value per Equity Share as per Net Assets Method	2,443.07	95000000	2.57	0.33	0.85
Fair Value per Equity Share as per Discounted Cash Flow Method	18,389.04	95000000	19.36	0.67	12.97
Fair value per Equity Share					13.82

Fair Value per Equity Share of M/s. Shri Sai Priya Sugars Limited (Transferor Company 3)

Particulars	Total Value (Rs in Lakhs)	No of Equity Shares	Value per share	Weights	Fair Value per Share
Fair value per Equity Share as per Net Assets Method	47772.58	166135600	28.76	0.33	9.59
Fair Value as per Discounted Cash Flow Method	88050.043	166135600	53.00	0.67	35.33
Fair value per Equity Share					44.92



X - SHARE EXCHANGE RATIO FOR AMALGAMATION

The Transferee Company proposes to discharge the consideration to the shareholders of Transferor Companies in the following two options

1. Issue of Equity Shares
2. Issue of Optionally Convertible Preference shares

The shareholders of the Transferor Companies have an option to choose any one or both options against their entitlement of consideration.

Terms of Optionally Convertible Preference shares

Face Value	Rs 10/-
Tenure	Twenty Years
Conversion	The Company shall have the option to convert the OCRPS into equity shares of the Company at any time during the tenure of the OCRPS at a ratio based on the fair value of equity shares of the Company as on date of exercise of option as per the valuation done by the IBBI Registered Valuer
Dividend	0.01 % per annum on pro rata basis.
Redemption Value	The Company shall have the option to redeem the OCRPS at face value or fair value during or at the end of tenure of OCRPS, subject to necessary approvals as may be required.

As per the terms of the conversion, one Optionally Convertible Preference shares shall be convertible into Equity based on the fair value of the equity shares of the Company as on the date of exercise of option.

Conversion value is the accrued value of investment divided by the fair value of the underlying Equity share as at the maturity date.

As OCRP's are convertible into equity shares at fair value of equity shares, accrued amount of OCRP's i.e., Principal and Interest is equal to their fair value of Optionally Convertible Redeemable Preference shares as on Valuation Date.



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Accordingly the Principal amount of Preference shares plus accrued interest till the date of valuation will be the fair value of 0.01% Optionally Convertible Redeemable Preference Shares as on the date of valuation.

Since, principal amount is Rs.10 per Preference share and No interest is accrued as of the valuation.

The principal amount becomes the value of the Preference share.

In view of the above the fair value of the OCRPS is Rs. 10/- each

The Share exchange ratio for the Proposed Amalgamation is depicted as follows:

Name of the Company	Fair Value per Equity Share of Transferor Companies	Fair Value per Equity Share of Transferee Company	Share Exchange Ratio
Fair value per Equity share of Nirani Sugars Limited	308.42		30.84
Fair value per Equity share of MRN Cane Power India Limited	13.82		1.38
Fair value per Equity share of Shri Sai Priya Sugars Limited	44.92		4.49
Fair value per Equity share of MRN Chamundi Canepower and Biorefineries Private Limited		10.00	

In view of the above, for the purpose of discharging the consideration for the proposed amalgamation the share exchange ratio is 30.84, 1.38 and 4.49 is considered equitable and appropriate. Accordingly M/s. MRN Chamundi Canepower and Biorefineries Private Limited (Transferee Company) Shall issue shares to the shareholders of M/s. Nirani Sugars Limited (Transferor Company 1), M/s. MRN Cane Power India Limited (Transferor Company 2) and M/s. Shri Sai Priya Sugars Limited (Transferor Company 3) in the following share exchange ratio.

The Share exchange ratio in respect of Consideration in the form of Equity Shares for the Proposed Amalgamation is depicted as follows:

Share Exchange Ratio for shareholders of M/s. Nirani Sugars Limited (Transferor Company

1)

“3,084 fully paid up equity shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 100/- (Rupees Hundred only) each held by shareholders in the Transferor Company 1”.



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Share Exchange Ratio for shareholders of M/s. MRN Cane Power India Limited (Transferor Company 2)

“138” fully paid up equity shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 10/- (Rupees Ten only) each held by shareholders in the Transferor Company 2”.

Share Exchange Ratio for shareholders of M/s. Shri Sai Priya Sugars Limited (Transferor Company 3)

“449” fully paid up equity shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 10/- (Rupees Ten only) each held by shareholders in the Transferor Company 3”.

The Share exchange ratio in respect of Consideration in the form of Optionally Convertible Preference shares for the Proposed Amalgamation is depicted as follows:

Share Exchange Ratio for shareholders of M/s. Nirani Sugars Limited (Transferor Company 1)

“3,084 fully paid up Optionally Convertible Preference shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 100/- (Rupees Hundred only) each held by shareholders in the Transferor Company 1”.

Share Exchange Ratio for shareholders of M/s. MRN Cane Power India Limited (Transferor Company 2)

“138” fully paid up Optionally Convertible Preference shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 10/- (Rupees Ten only) each held by shareholders in the Transferor Company 2”.



Share Exchange Ratio for shareholders of M/s. Shri Sai Priya Sugars Limited (Transferor Company 3)

“449” fully paid up Optionally Convertible Preference shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 100 (Hundred) fully paid up equity share of face value of INR 10/- (Rupees Ten only) each held by shareholders in the Transferor Company 3”.

Place: Hyderabad

Date: 03-01-2023

UDIN : 23219486BGQCSR8654

V. Gangadhara Rao
V GANGADHARA RAO .N
REGISTERED VALUER
IBBI/RV/06/2019/10709

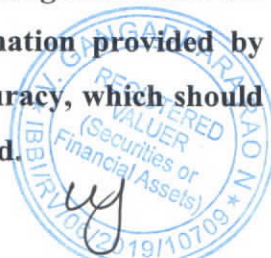


APPENDIX - A

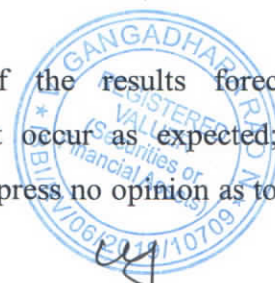
STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in the detailed Valuation report are summarized below. Other assumptions are cited elsewhere in the report.

- 1) The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation. i.e., 30th September, 2022.
- 2) The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). I do not accept liability for losses arising from such subsequent changes in value. All opinions and estimates in this publication or report are, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report and are **subject to change without notice**.
- 3) We have performed a valuation engagement and present our detailed report in conformity with the **“Indian Valuation Standards”** issued by the **Institute of Chartered Accountants of India (ICAI)**. VS sets out that the objective of a valuation engagement is “to express an unambiguous opinion as to the of a business, business ownership interest, security or intangible asset which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation.” Also according to the Standard in a valuation engagement the valuer can apply valuation approaches or methods deemed in the analyst’s professional judgment to be appropriate under the circumstances. In a valuation engagement the conclusion is expressed as either a single amount or a range.
- 4) By reason of the operation of privacy laws, the valuer’s enquiries in respect of recent transactions have been constrained. Accordingly, the valuer may not have had access to information on recent transactions which has not yet been published in information sources available to the valuer. If other transactions have taken place, knowledge of those transactions may affect the opinions expressed by the valuer. **To the best of my knowledge and belief the statements and opinions in this report are correct and the information provided by others is accurate. However, no responsibility is assumed for its accuracy, which should be checked by appropriate report, search or formal enquiry if required.**



- 5) It should be noted that **I am not an engineer, a plant and equipment, building construction or structural expert and I am therefore unable to certify as to the (structural) soundness of the improvements.** I am not qualified to comment on the structural integrity, defect, rot or infestation of the improvements. Our scope of work does not include an appraisal or valuation of land, **plant and equipment, building construction and any other immovable or movable property individually.**
- 6) We have provided our recommendation of the Valuation based on the information available to us and within the scope of our engagement, others may have a different opinion. **The final responsibility for value/price at which the Proposed Transaction shall take place will be with the Board of Directors of the Company, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.**
- 7) We are not advisors with respect to accounting, legal, tax and regulatory matters for the proposed transaction. This Report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 8) This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.
- 9) I owe responsibility to only to the authority/client that has appointed me/us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.
- 10) I do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely



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the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

- 11) The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date
- 12) The valuation of company and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client, I have provided a single value for the overall Fair Value of the Equity of Transferor and Transferee Companies. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.
- 13) The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.
- 14) The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. I shall not be liable for any loss , damages, cost or expenses arising from fraudulent acts, misrepresentations , or wilful default on part of the companies , their directors , employee or agents.



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- 15) I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- 16) The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to us.
- 17) The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value
- 18) I was fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.
- 19) While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.



- 20) An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- 21) In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.
- 22) We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 23) Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- 24) This publication or report has been prepared as general information for private use of client to whom the publication or report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor bears the risk of losses in connection with an investment. Before acting on any information in this publication or report, it is recommendable to consult one's financial advisor. The information contained in this publication or report does not constitute advice on the tax consequences of making any particular investment decision..
- 25) I have not conducted any examination in respect of technical feasibility intellectual products owned by the entity.



- 26) The risk of investing in certain financial instruments is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized.
- 27) The valuer may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report. To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of the valuer are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of the Group Companies and personal account dealing
- 28) Our report will not be used for financing or included in a private placement or other public documents and may not be relied upon by any third parties.
- 29) **The valuer does not accept any responsibility or liability for information provided by third parties.** Official confirmation of portfolio holdings with these parties and issues arising from information they have provided must be addressed directly with them.
- 30) I have no financial interest or contemplated financial interest in the companies that are the subject of this report

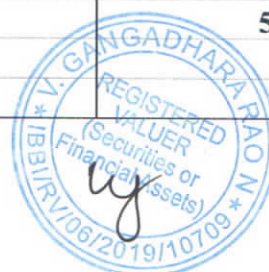
Place: Hyderabad**Date: 03-01-2023**


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REGISTERED VALUER
IBBI/RV/06/2019/10709



ANNEXURE**Valuation of Nirani Sugars Limited as per Net Assets Method**

NIRANI SUGARS LIMITED		
VALUATION AS PER NET ASSETS METHOD		
Particulars	Details	Amount(Rs in Lakhs)30-09-2022
Non Current Assets		
Fixed Assets		
Tangible Assets	74,802.14	
Intangible Assets	36.91	
Capital work in progress	11.13	
Non current Investments	1,599.82	
Other Non current Assets	12.48	
Deferred tax Asset		
Total (A)		76,462.48
Current Assets		
Inventories	13,290.17	
Trade Receivables	13,827.56	
Cash & Cash Equivalents	910.05	
Short term loans and advances	22,240.55	
Other Current Assets	62,754.77	
Total (B)		1,13,023.10
Total Assets C = (A+B)		1,89,485.58
Less: Current Liabilities		
Short Term borrowings	38,252.15	
Trade Payables	29,733.25	
Other Current Liabilities	8,736.13	
Short Term Provisions	346.64	
Total (D)		77,068.17
Less: Non-Current Liabilities		
Long-Term Borrowings	60,353.65	
Long term provisions	180.74	
Total (E)		60,534.39
Total Liabilities (F=D+E)		1,37,602.56
Net Assets (G=C-F)		51,883.02
Net Assets Attributable to equity shareholders(G)		51,883.02
No. of Equity Shares		168.53
NAV Per Share		307.85



Valuation of Nirani Sugars Limited as per Discounted Cash Flow Method

NIRANI SUGARS LIMITED	
Ascertainment of Value Per Share	
Particulars	Amount Rs in Lakhs
NPV of Explicit Period	6,606.62
Present Value of Perpetuity	33,296.43
Enterprise Value	39,903.05
Add: Surplus cash/ cash equivalent	811.36
Add: Surplus Investments	1,599.82
Add: Surplus Asset -Investment in Trualt	55,000.00
Add: Tax shield on accumulated losses	307.60
Less: Debt	(40,906.00)
Less: Secured Loans	(1,934.71)
Less: Unsecured Loans & Long term provisions	(2,706.04)
Equity Value	52,075.08
No of Equity shares	168.53
Value Per Equity Share	308.99

Yearly Cash Flows						
Year	01-10-2022 to 31-03-2023	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Free Cash Flows	1,959.58	342.15	429.76	4,824.03	5,691.86	(3,548.49)
Discount rate	17.95%	17.95%	17.95%	17.95%	17.95%	17.95%
Discounting factor	0.96	0.81	0.69	0.58	0.50	0.42
Discounted Cash Flows	1,880.36	278.36	296.43	2,821.06	2,822.04	(1,491.63)

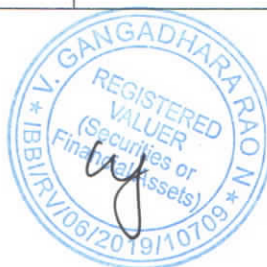
Perpetuity value	
Particulars	Amount (Rs in Lakhs)
Cash profits for FY 2027-28	10,332.15
Growth Rate	0.05
Cash profits for perpetuity	10,848.75
Increase in Net working capital	325.46
Capital Expenditure	266.91
Net Cash Flow for Perpetuity	10,256.38
Capitalized Value for Perpetuity	79,209.98
Total Capitalized Value	79,209.98
Discounting Factor	0.42
present value of perpetuity	33,296.43



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Valuation of MRN Cane Power India Limited as per Net Assets Method

MRN CANE POWER INDIA LIMITED		
VALUATION AS PER NET ASSETS METHOD		
Particulars	Details	Amount(Rs in Lakhs)30-09-2022
Non Current Assets		
Fixed Assets		
Tangible Assets	41,147.64	
Intangible Assets	1.18	
Capital work in progress	1,480.52	
Non current Investments	1,437.98	
Other Non current Assets	6.39	
Deferred tax Asset		
Total (A)		44,073.71
Current Assets		
Inventories	4,014.52	
Trade Receivables	3,656.80	
Cash & Cash Equivalents	-104.12	
Short term loans and advances	9,706.20	
Other Current Assets	32,721.19	
Total (B)		49,994.59
Total Assets C = (A+B)		94,068.30
Less: Current Liabilities		
Short Term borrowings	22,019.16	
Trade Payables	14,164.80	
Other Current Liabilities	7,514.01	
Short Term Provisions	136.70	
Total (D)		43,834.67
Less: Non-Current Liabilities		
Long-Term Borrowings	47,784.74	
Long term provisions	5.82	
Total (E)		47,790.56
Total Liabilities (F=D+E)		91,625.23
Net Assets (G=C-F)		2,443.07
Net Assets Attributable to equity shareholders(G)		2,443.07
No. of Equity Shares		950.00
NAV Per Share		2.57



Valuation of MRN Cane Power India Limited as per Discounted Cashflow Method

MRN CANE POWER INDIA LIMITED	
Ascertainment of Value Per Share	
Particulars	Amount Rs in Lakhs
NPV of Explicit Period	(4,466.16)
Present Value of Perpetuity	8,297.91
Enterprise Value	3,831.75
Add: Surplus cash/ cash equivalent	
Add: Surplus Investments	1,437.98
Add: Surplus Asset-Investment in Trualt	29,000.00
Add: Tax shield on accumulated losses	2,841.22
Less: Debt	(18,716.09)
Less: Other provisions	(5.82)
Equity Value	18,389.04
No of Equity shares	950.00
Value Per Equity Share	19.36

Yearly Cash Flows						
Year	01-10-2022 to 31-03-2023	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Free Cash Flows	1,257.47	(310.90)	(1,184.99)	(3,216.67)	(4,678.83)	(1,144.44)
Discount rate	18.41%	18.41%	18.41%	18.41%	18.41%	18.41%
Discounting factor	0.96	0.81	0.68	0.58	0.49	0.41
Discounted Cash Flows	1,205.44	(251.69)	(810.15)	(1,857.19)	(2,281.33)	(471.24)



Perpetuity value	
Particulars	Amount (Rs in Lakhs)
Cash profits for FY 2027-28	2,839.20
Growth Rate	0.05
<i>Cash profits for perpetuity</i>	2,981.16
<i>Increase in Net working capital</i>	119.25
<i>Capital Expenditure</i>	158.89
Net Cash Flow for Perpetuity	2,703.02
Capitalized Value for Perpetuity	20,152.02
Total Capitalized Value	20,152.02
Discounting Factor	0.41
present value of perpetuity	8,297.91

Valuation of Shri Sai Priya Sugars Limited as per Discounted Cash Flow Method

SHRI SAI PRIYA SUGARS LIMITED	
Ascertainment of Value Per Share	
Particulars	Amount Rs in Lakhs
NPV of Explicit Period	11,554.30
Present Value of Perpetuity	46,358.19
Enterprise Value	57,912.49
Add: Surplus cash/ cash equivalent	860.14
Add: Surplus Investments	3,095.17
Add: Surplus Asset- Investment in Trualt	51,325.00
Add: Tax shield	4,782.38
Less: Secured Loans	(1,050.37)
Less: Debt	(28,819.00)
Less: Long term provisions	(55.77)
Equity Value	88,050.04
No of Equity shares	1,661.36
Value Per Equity Share	53.00



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Yearly Cash Flows						
Year	01-10-2022 to 31-03-2023	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Free Cash Flows	1,769.65	5,578.51	914.74	510.59	5,136.21	4,638.21
Discount rate	18.38%	18.38%	18.38%	18.38%	18.38%	18.38%
Discounting factor	0.96	0.81	0.68	0.58	0.49	0.41
Discounted Cash Flows	1,696.55	4,517.57	625.74	295.04	2,507.02	1,912.38

Perpetuity value	
Particulars	Amount (Rs in Lakhs)
Cash profits for FY 2027-28	16,426.64
Growth Rate	0.04
<i>Cash profits for perpetuity</i>	17,083.70
<i>Increase in Net working capital</i>	683.35
<i>Capital Expenditure</i>	228.46
Net Cash Flow for Perpetuity	16,171.89
Capitalized Value for Perpetuity	1,12,435.03
Total Capitalized Value	1,12,435.03
Discounting Factor	0.41
present value of perpetuity	46,358.19

