

SCHEME OF ARRANGEMENT
BETWEEN
NITIN CASTINGS PRIVATE LIMITED ("NCPL" OR "THE DEMERGED
COMPANY")
AND
NITIN ALLOYS GLOBAL LIMITED ("NAGL" OR "THE RESULTING
COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS

I. PURPOSE OF THE SCHEME

The Scheme of Arrangement is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act"), for demerger of the Casting Business Undertaking carried out by Nitin Castings Private Limited ("NCPL" or "the Demerged Company"), on a going concern basis and vesting in Nitin Alloys Global Limited ("NAGL" or "the Resulting Company"). The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

II. RATIONALE OF THE SCHEME

Both the companies under this Scheme of Arrangement are part of Nitin Castings Group ('the Group'). NCPL is engaged in multiple businesses and NAGL is engaged in the business of manufacturing of products relating to Alloy Steel Castings. The Group believes that the restructuring would benefit the companies and its stake holders on account of following reasons:

- Businesswise segregation of companies thereby ensuring focused management;
- Improved Organizational capability and leadership;
- Achieving operational and management efficiency; and



- Ability to leverage financial and operational resources of each company.

III. PARTS OF THE SCHEME

The Scheme of Arrangement is divided into the following parts:

Part A – Deals with the Definitions, Interpretation and Share Capital;

Part B – Deals with the demerger of Casting Business Undertaking into NAGL; and

Part C - Deals with the General Terms and Conditions

PART A

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expression shall have the meanings respectively assigned against them:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force and also mean and refer to corresponding sections of the Companies Act, 2013 the rules and regulations made thereunder, as and when such corresponding sections are notified by the Central Government;
- 1.2 **“Appointed Date”** means April 1, 2015 or such other date as may be fixed or approved by the High Court of Judicature at Bombay or National Company Law Tribunal (NCLT), if and when made operational or such other competent authority.



- 1.3 **"BSE"** means the Bombay Stock Exchange Limited;
- 1.4 **"Board" or "Board of Directors"** means the Board of Directors or any committee thereof of the NCPL or NAGL or both as the context may require;
- 1.5 **"Book Value(s)"** means the value(s) of the assets and liabilities as appearing in the books of NCPL at the close of business on the day immediately preceding the Appointed Date;
- 1.6 **"Court" or "High Court"** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if and when made operational.
- 1.7 **"Casting Business Undertaking"** means the entire business undertaking of NCPL relating to "Casting Business" along with all related assets, liabilities, employees including specifically the following:
- i. all properties and assets, whether moveable or immovable (more specifically including property located at Maharashtra and described in detail at Annexure I), including all rights (whether freehold, leasehold or license), title, interest, cash and bank balances, bills of exchange, covenant and undertakings of NCPL pertaining to Casting Business Undertaking;
 - ii. all assets (whether moveable or immovable, real or personal, corporeal or incorporeal, in possession, or in reversion, leasehold or otherwise, present, future, contingent, tangible or intangible) including investments of NCPL pertaining to Casting Business Undertaking and not limited to the plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits



including deposits or outstanding in litigations or paid under protest, provisions, advances, receivables, funds, leases, licenses, tenancy rights, premises, hire purchase and lease arrangements including benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licenses, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested into or granted in favour of or held for the benefit of or enjoyed by NCPL pertaining to the Casting Business Undertaking;

iii. all debts, borrowings, obligations and liabilities, whether present or future, whether secured or unsecured, of NCPL pertaining to the Casting Business Undertaking comprising of:

- a) all the debts, duties, obligations and liabilities, including contingent liabilities which arise out of the activities or operations of NCPL pertaining to the Casting Business Undertaking;
- b) the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of NCPL pertaining to the Casting Business Undertaking; and
- c) liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the Casting Business Undertaking, being the amounts of any general or multipurpose borrowings of NCPL as stand in the same proportion which the value of assets, transferred under this Clause, of the Casting Business Undertaking bears to the total value of the assets of NCPL immediately before the Appointed Date.



- iv. all intellectual property rights, including patents, trademarks and copyrights of NCPL pertaining to Casting Business Undertaking;
- v. all books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Casting Business Undertaking;
- vi. all permanent employees employed by NCPL pertaining to the Casting Business Undertaking, as identified by the Board of Directors of NCPL, as on the Effective Date.
- vii. all earnest monies, security deposits, or other entitlements, if any, in connection with or relating to NCPL pertaining to Casting Business Undertaking;

Any question that may arise as to whether a specific asset (tangible or intangible) or any liability pertains or does not pertain to the Casting Business Undertaking or whether it arises out of the activities or operations of the Casting Business Undertaking or not, shall be decided by the Board of Directors of NCPL or any committee thereof.

- 1.8 **“Effective Date”** means the date on which the authenticated copies or certified copies of the Orders of High Court of Judicature at Bombay under Sections 391 to 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai by NCPL and NAGL;



- 1.9 **“NAGL” or “the Resulting Company”** means Nitin Alloys Global Limited (CIN: L65990MH1982PLC028822), a company incorporated under the Companies Act, 1956 and having its registered office at 231, 2nd Floor, Rahul Mittal Industries Premises- Co-op. Society Limited, Sanjay Building No.3, Sir M.V. Road, Andheri (East), Mumbai-400 059;
- 1.10 **“NCPL” or “the Demerged Company”** means Nitin Castings Private Limited (CIN: U28900MH1962PTC012448), a Company incorporated under the Act and having its registered office at 231, 2nd Floor, Rahul Mittal Industrial Premises Co-Op Soc. Limited, Sanjay Building No. 3, Sir M.V. Road, Andheri (East), Mumbai – 400 059, Maharashtra;
- 1.11 **“Record Date”** means the date to be fixed jointly by the Board of Directors of NCPL and NAGL for the purposes of determining the shareholders of NCPL to whom shares would be issued in accordance with Clause 5 of this Scheme (as defined hereinafter);
- 1.12 **“Remaining business of NCPL”** means all the undertakings, businesses, activities, operations and investments of NCPL other than the Casting Business Undertaking;
- 1.13 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Hon’ble High Court or this Scheme with such modification(s) / amendments, if any made, as per Clause 15 of the Scheme.
- 1.14 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as



the case may be, including any statutory modification or re-enactment thereof from time to time.

Reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme. The singular shall include the plural and vice versa.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay or made as per Clause 15 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date unless the context requires otherwise.

2.2 Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

3. SHARE CAPITAL

3.1 The share capital of NCPL as at March 31, 2015 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
32,50,000 Equity Shares of Rs. 10 each	3,25,00,000
TOTAL	3,25,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
31,50,000 Equity Shares of Rs. 10 each, fully paid up	3,15,00,000
TOTAL	3,15,00,000



Subsequent to the above Balance Sheet date and till the date of the Scheme being approved by the Board of Directors of NCPL, there has been no change in the issued, subscribed and paid up share capital of NCPL.

3.2 The share capital of NAGL as at March 31, 2015 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
50,00,000 Equity shares of Rs. 10 each	5,00,00,000
TOTAL	5,00,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
14,04,000 Equity shares of Rs. 10 each, fully paid up	1,40,40,000
TOTAL	1,40,40,000

Subsequent to the above Balance Sheet date and till the date of the Scheme being approved by the Board of Directors of NAGL, there has been no change in the issued, subscribed and paid up share capital of NAGL.

PART B

TRANSFER AND VESTING OF CASTING BUSINESS UNDERTAKING OF NCPL INTO NAGL

4. TRANSFER AND VESTING OF CASTING BUSINESS UNDERTAKING

- 4.1 Upon the scheme becoming effective and with effect from the Appointed Date, the whole of the undertaking and assets and properties of the Casting Business Undertaking, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in



NAGL, so as to vest in NAGL all the rights, title and interest pertaining to the Casting Business Undertaking.

4.2 In so far as the immovable properties of the Casting Business Undertaking are concerned, NAGL shall register the true copy of the Order of the High Court approving the Scheme with the offices of the relevant sub-registrar of assurance or similar registering authority in Maharashtra. All the rights of NCPL in the immovable properties pertaining to the Casting Business Undertaking shall stand transferred to NAGL automatically without requirement of execution of any further documents for registering the name of NAGL as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar etc. may rely on the Scheme along with the copy of the Order passed by the High Court, to make necessary mutation entries and changes in the land or revenue records to reflect the name of NAGL as owner of the immovable properties. The Casting Business Undertaking of NCPL, as defined in clause 1.4, shall stand transferred to and vested in or deemed to be transferred to and vested in NAGL, as a going concern, in compliance with Section 2(19AA) 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 of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. The transfer of Casting Business Undertaking of NCPL shall happen in the following manner:

4.2.1. Any and all assets relating to the Casting Business Undertaking, as are movable in nature or incorporeal property or are otherwise capable of



transfer by manual delivery or by endorsement and delivery or by vesting and recorded pursuant to this Scheme shall stand transferred and vested by NCPL to NAGL and shall become the property and an integral part of NAGL. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting into NAGL. Goodwill, if any on demerger of Casting Business Undertaking shall be eligible for depreciation under Income Tax, 1961 and based on the ruling in CIT vs. Smifs Securities Limited.

4.2.2. Any and all movable properties of NCPL relating to the Casting Business Undertaking, other than those specified in sub-clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, be transferred and vested as the property of the NAGL. The investments held in dematerialized form will be transferred to NAGL by issuing appropriate delivery instructions to the depository participant with whom NCPL have an account. No stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting into NAGL.

4.2.3. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of NCPL relating to the Casting Business Undertaking shall, without any further act or deed be and stand transferred to NAGL so as to become as



from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of NAGL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. After the Effective Date, NAGL undertakes to meet, discharge and satisfy the said liabilities to the exclusion of NCPL and to keep NCPL indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto.

4.2.4. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by NCPL required to carry on operations in the Casting Business Undertaking shall stand vested in or transferred to NAGL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of NAGL. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to NAGL pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by NCPL relating to the Casting Business Undertaking, are concerned, the same shall vest with and be available to NAGL on the same terms and conditions.

4.3 The transfer and vesting of Casting Business Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Casting Business Undertaking to the extent such securities,



charges, mortgages, encumbrances are created to secure the liabilities forming part of the Casting Business Undertaking.

- 4.4 All taxes, duties, cess payable by NCPL relating to the Casting Business Undertaking including all or any refunds / credit / claims relating thereto shall be treated as the liability or refunds / credit / claims, as the case may be, of NAGL, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds / credit / claims relating to the Casting Business Undertaking shall continue to be borne by NCPL. It is specifically provided that if NCPL or their successor(s) receives any refunds / credit / claims or incurs any liability in respect of the Casting Business Undertaking the same shall be on behalf of and as a trustee of NAGL and the same shall be refunded to / paid by NAGL.
- 4.5 Upon the coming into effect of this Scheme, NCPL shall permit NAGL, use of its land for the purpose of carrying out the Casting Business at a consideration mutually agreed between NCPL and NAGL. All the outgo in relation to the land including taxes, water charges, electricity charges, etc. shall be borne by NAGL.
- 4.6 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Casting Business Undertaking of NCPL or whether it arises out of the activities or operations of Casting Business Undertaking of NCPL shall be decided by mutual agreement between the Board of Directors of NCPL and NAGL.

5. ISSUE OF SHARES



- 5.1 Upon this Scheme becoming effective and upon vesting of the Casting Business Undertaking of NCPL in NAGL in terms of this Scheme, NAGL shall, without any further application or deed, issue and allot equity shares at fair value ("New Equity Shares"), credited as fully paid-up, to the extent indicated below, to the members of NCPL, holding fully paid up equity shares in NCPL and whose names appear in the Register of Members of NCPL on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of NAGL in the following manner:

Consideration payable to Equity Shareholders:

"10 (Ten) fully paid up New Equity Share of Rs. 10 (Rupees Ten) each of NAGL shall be issued and allotted for every 27 (Twenty Seven) fully paid up equity shares of Rs. 10 (Rupees Ten) each held in NCPL"

- 5.2 No New Equity Shares shall be allotted in respect of fractional entitlements, by NAGL to which the members of NCPL may be entitled on allotment of shares as per Clause 5.1.
- 5.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of NCPL, the Board of Directors of NCPL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in NCPL, after the effectiveness of this Scheme.
- 5.4 The New Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of NCPL in dematerialized form, in to the



account in which NCPL shares are held or such other account as is intimated by the shareholders to NCPL and / or its Registrar before the Record Date. All those shareholders who hold shares of NCPL in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to NCPL and / or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.

- 5.5 The New Equity Shares to be issued and allotted by NAGL to the equity shareholders of NCPL shall be allotted and recorded at fair value i.e. face value and premium and shall be subject to the Scheme and the Memorandum and Articles of Association of NAGL.
- 5.6 The New Equity Shares to be issued by NAGL to the members of NCPL pursuant to clause 5.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 on all the Stock Exchanges on which shares of NAGL are listed on the Effective Date. NAGL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for NAGL with the formalities of the said Stock Exchanges. The New Equity Shares of NAGL allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange(s). There shall be no change in the shareholding pattern or control in NAGL between the Record Date and the listing which may affect the status of approvals received from the Stock Exchange(s). The shares so allotted shall be freely tradable and shall not have any lock in period unless contrary contained in any regulation.



- 5.7 NAGL shall and to the extent if required, increase its Authorized Share Capital to facilitate issue of equity shares under this Scheme.
- 5.8 Approval of this Scheme by the shareholders of NAGL shall be deemed to be the due compliance of the provisions of Section 42 read with 62 of the Companies Act, 2013, and the other relevant and applicable provisions of the Act for the issue and allotment of New Equity Shares by NAGL to the shareholders of NCPL, as provided in this Scheme
- 5.9 The approval of this Scheme by the shareholders of NCPL and NAGL under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 13, 14 and 186 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

6. ACCOUNTING TREATMENT

In the books of NAGL

- 6.1 NAGL shall, upon the Scheme becoming effective, record the assets, liabilities, reserves of the Casting Business Undertaking of NCPL vested in it pursuant to this Scheme, at respective book values, as appearing in the books of NCPL, at the close of business on the day immediately preceding the Appointed Date.
- 6.2 The inter-company balances, if any, appearing in the books of accounts of NAGL and the Casting Business Undertaking being transferred, will stand cancelled;



- 6.3 The difference being the excess of the net assets value (after giving adjustment to clause 6.2 above) of Casting Business Undertaking transferred to NAGL determined as per clause 6.1 above, as reduced by the value of New Equity Shares issued and allotted as per clauses 5.1 by NAGL would be recorded as Capital Reserve. Shortfall, if any, shall be recorded as Goodwill and shall be amortized equally over a period of 5 years.
- 6.4 In case of any differences in accounting policy between NCPL and NAGL, the accounting policies followed by NAGL will prevail and the difference till the Appointed Date will be quantified and adjusted in the Capital Reserve / Goodwill Account to ensure that the financial statements of NAGL reflect the financial position on the basis of consistent accounting policy. The Treatment in this clause shall be applicable irrespective of any change in the accounting method.

In the books of NCPL

- 6.5 Upon the Scheme becoming effective, NCPL shall reduce the book value of assets and liabilities pertaining to the Casting Business Undertaking transferred to NAGL.
- 6.6 The excess of the book value of assets transferred over the book value of liabilities transferred shall be first adjusted against the General Reserve and balance against Profit and Loss account of NCPL and the balance, if any, shall be recorded as Profit & Loss Debit Balance.
7. **PROFITS, DIVIDEND, BONUS/RIGHT SHARES**
- 7.1 NCPL shall not utilize profits or income, if any, pertaining to the Casting Business Undertaking for any purpose including declaring or paying any dividend in respect of the period falling on and after the Appointed Date



without the mutual consent / approval of Board of Directors of NCPL and NAGL. NCPL shall also not utilize profits, adjust or claim adjustment of the profits/loss as the case may be earned/incurred or suffered in respect of the Casting Business Undertaking after the Appointed Date.

- 7.2 Until the Effective Date, NCPL shall not issue or allot any further equity shares either rights or bonus or otherwise.

8. CONDUCT OF CASTING BUSINESS UNDERTAKING OF NCPL TILL THE EFFECTIVE DATE

With effect from the date of filing of this Scheme with High Court and upon the Effective Date:

- 8.1 NCPL shall be deemed to have been carrying on and shall carry on its business and activities relating to the Casting Business Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Casting Business Undertaking for and on account of and in trust for NAGL. NCPL hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 8.2 NCPL shall carry on and be deemed to have carried on its business and activities relating to the Casting Business Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of NAGL, alienate charge, mortgage, encumber or otherwise deal with or dispose of the Casting Business Undertaking or part thereof.
- 8.3 All the profits or income accruing or arising to NCPL or expenditure or losses arising or incurred or suffered by NCPL pertaining to the Casting Business



Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of NAGL.

8.4 NCPL shall not vary the terms and conditions of employment of any of the employees of NCPL pertaining to the Casting Business Undertaking except in the ordinary course of business or without the prior consent of NAGL or pursuant to any pre-existing obligation undertaken by NCPL, as the case may be, prior to the Appointed Date.

8.5 NCPL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which NAGL may require to carry on the Casting Business Undertaking of NCPL.

9. EMPLOYEES

9.1 On the Scheme becoming operative, all staff and employees of NCPL pertaining to Casting Business Undertaking in service on the Effective Date shall be deemed to have become staff and employees of NAGL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with NAGL shall not be less favorable than those applicable to them with reference to their employment in NCPL.

9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of NCPL pertaining to Casting Business Undertaking or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in



relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of NCPL in relation to Casting Business Undertaking in relation to such Fund or Funds shall become those of NAGL. It is clarified that the services of the staff and employees of NCPL pertaining to Casting Business Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

10. LEGAL PROCEEDINGS

- 10.1 If any suit, appeal or other proceeding of whatever nature by or against NCPL in relation to Casting Business Undertaking is pending except the proceedings of MSEDCL, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against NAGL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against NCPL in relation to Casting Business Undertaking as if this Scheme had not been made.
- 10.2 After the Appointed Date, if any proceedings are taken against NCPL in respect of the matters referred to in the Clause 10.1 above, NCPL shall defend the same at the cost of NAGL and NAGL shall reimburse and indemnify NCPL against all liabilities and obligations incurred by it in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc. which NCPL may be called upon to pay or secure in respect of any liability or obligation relating to Casting Business Undertaking.



10.3 NAGL undertakes to have all legal or other proceedings initiated by or against NCPL referred to in Clause 10.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against NAGL to the exclusion of NCPL to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by NAGL, the proceedings shall be pursued by NCPL for and on behalf of NAGL as per the instructions of and entirely at the cost and expenses of NAGL.

10.4 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against NCPL in relation to Casting Business Undertaking including litigations, suits, recovery proceedings relating to excise duty and labour issues, NAGL shall be made party thereto and any payment and expenses made thereto shall be the liability of NAGL. Any other litigation, suit, recovery proceedings of excise duty or labour matters pertaining to Casting Business Undertaking that may, arise after the Appointed Date, shall also stand transferred to NAGL and no liability shall ever be vested in NCPL.

11. **CONTRACTS, DEEDS, ETC.**

11.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to Casting Business Undertaking to which NCPL is a party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of NAGL and may be enforced by or against NAGL as fully and effectually as if, instead of NCPL, NAGL had been a party thereto.

11.2 NAGL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which NCPL will, if necessary, also be party in order to give



formal effect to the provisions of this Scheme. NAGL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of NCPL for the Casting Business Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

12. REMAINING BUSINESS

12.1 It is clarified that the Remaining Business of NCPL shall continue with NCPL as follows:

- (a) The Remaining Business of NCPL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by NCPL.
- (b) All legal and other proceedings by or against NCPL under any statute, whether pending and / or arising on or before the Appointed Date and relating to the Remaining Business of NCPL (including those relating to any property, right, power, liability, obligation or duty, of NCPL in respect of the Remaining Business) shall be continued and enforced by or against NCPL.
- (c) With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date –
 - i. NCPL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - ii. all income or profit accruing to NCPL or expenditure or losses arising or incurred by it relating to the Remaining Business are and shall for all purposes, be treated as the income or profit or expenditure or losses, as the case may be, of NCPL.

13. SAVING OF CONCLUDED TRANSACTIONS



The transfer of the Casting Business Undertaking of NCPL to NAGL under Clause 4 above and the continuance of proceedings by or against NAGL under Clause 10 above shall not affect any transaction or proceedings already concluded by NCPL or after the Appointed Date till the Effective Date, to the end and intent that NAGL accept and adopts all acts, deeds and things done and executed by NCPL for the Casting Business Undertaking in respect thereto as done and executed on behalf of itself.

14. CHANGE OF NAME OF NCPL AND NAGL

- 14.1 Upon sanction of this Scheme, the name of NCPL shall automatically stand changed without any further act, instrument or deed on the part of NCPL to "*Nitin Realty Private Limited*" or such other name as may be decided by the Board of Directors or a committee thereof and approved by the concerned jurisdictional Registrar of Companies and the Memorandum of Association and Articles of Association of NCPL shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13 and Section 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
- 14.2 Upon sanction of this Scheme, the name of NAGL shall automatically stand changed without any further act, instrument or deed on the part of NAGL to "*Nitin Castings Limited*" or such other name as may be decided by the Board of Directors or a committee thereof and approved by the concerned jurisdictional Registrar of Companies and the Memorandum of Association and Articles of Association of NAGL shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of



effecting this amendment, and no further resolution(s) under Section 13 and Section 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

PART C
GENERAL TERMS AND CONDITIONS

15. APPLICATION TO HIGH COURT OF JUDICATURE AT BOMBAY

NCPL and NAGL shall with all reasonable dispatch make all necessary applications under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court for seeking approval of the Scheme.

16. MODIFICATION OR AMENDMENTS TO THE SCHEME

Subject to approval of High Court, NCPL and NAGL by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors). NCPL and NAGL by their respective Board are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

17. CONDITIONALITY OF THE SCHEME

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



- 18.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of NCPL and NAGL as may be directed by the High Court.
- 18.2 The Scheme being approved by a shareholders' resolution of NAGL passed by way of postal ballot/e-voting in terms of para 5.16 of Circular Number CIR/CFD/DIL/5/2013 dated February 4th, 2013 read with para 7 of Circular Number CIR/CFD/DIL/8/2013 dated May 21st, 2013 and in terms of para 9 of Circular Number CIR/CFD/CMD/16/2015 dated November 30th, 2015 issued by Securities and Exchange Board of India ("SEBI") read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015; provided that the same shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.
- 18.3 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 18.4 The sanction of the High Court under Sections 391 to 394 of the said Act in favour of NCPL and NAGL under the said provisions and to the necessary Order under Section 394 of the said Act being obtained;
- 18.5 Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by NCPL and NAGL.

18. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority and / or the Order not



being passed as aforesaid before March 31, 2017 or within such further period or periods as may be agreed upon between NCPL and NAGL by their Board of Directors (and which the Board of Directors of NCPL and NAGL are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

19. REPEALS AND SAVINGS

Any matter filed with Registrar of Companies, Regional Director or the Central Government under the Companies Act, 1956, before the notification of the corresponding provisions under The Companies Act, 2013 and not fully addressed at that time shall be concluded by the Registrar of Companies, Regional Director or the Central Government, as the case may be, in terms of the Companies Act, 1956. Any direction or order given by the Hon'ble High Court under the provisions of the Companies Act, 1956 and any act done by the Company based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of The Companies Act, 2013. Accordingly, the provisions of The Companies Act, 2013, shall not apply to acts done by the Company as per direction or order of the Hon'ble High Court sanctioning the Scheme.

20. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of NCPL and NAGL shall be borne by NAGL. It shall also include all expenses incurred in connection with and



implementing this Scheme and matters incidental thereto. If any stamp duty is levied pursuant to the transfer of the Casting Business Undertaking to NAGL pursuant to this Scheme and other consequential matters shall only be borne by NAGL.



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