

SCHEME OF AMALGAMATION

BETWEEN

GLOBAL COMPOSITES AND STRUCTURALS LIMITED (TRANSFEROR COMPANY NO.1)

AND

ION EXCHANGE ENVIRONMENT MANAGEMENT LIMITED (TRANSFEROR COMPANY NO.2)

AND

ION EXCHANGE (INDIA) LIMITED (TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE

COMPANIES ACT, 2013



**CERTIFIED TRUE COPY
For ION EXCHANGE (INDIA) LIMITED**


Company Secretary

PREAMBLE

This Scheme of Amalgamation is presented pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for amalgamation between GLOBAL COMPOSITES AND STRUCTURALS LIMITED ('GCSL' or 'Transferor Company No.1') and ION EXCHANGE ENVIRONMENT MANAGEMENT LIMITED ('IEEML' or 'Transferor Company No.2') and ION EXCHANGE (INDIA) LIMITED ('IEIL' or 'Transferee Company') and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme")

The Transferor Company No.1 and the Transferor Company No.2 are hereinafter collectively referred to as the "the Transferor Companies".

The Transferor Companies and the Transferee Company are hereinafter collectively referred to as the "Companies".

1. DEFINITIONS

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

- 1.1. "Act" or "the Act" means the Companies Act, 1956 and the Companies Act, 2013, as applicable and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2. "Appointed Date" shall mean 1st April, 2023 or such other date directed by or stipulated by the National Company Law Tribunal as may be applicable.
- 1.3. "Board of Directors" or "Board" means the respective Board of Directors of the Companies and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto.
- 1.4. "Effective Date" means the last of the dates on which the certified or authenticated copies of the order sanctioning this Scheme passed by the Mumbai bench of the National Company Law Tribunal is filed with the Registrar of Companies, Mumbai, Maharashtra by the Companies.

Any references in this Scheme to the date of "coming into effect of this Scheme" or "the Scheme coming into effect" or "Scheme becoming effective" shall mean the Effective Date.



- 1.5. "Governmental Authority" means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India.
- 1.6. "Income-tax Act" means the Income-tax Act, 1961 including any statutory modifications, re-enactments or amendments thereto.
- 1.7. "National Company Law Tribunal" or "NCLT" or "Tribunal" mean the Mumbai bench of National Company Law Tribunal constituted under section 408 of the Companies Act, 2013.
- 1.8. "ROC" means the Registrar of Companies, Mumbai, Maharashtra.
- 1.9. "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or directed under Clause 19 of this Scheme or any modifications approved or directed by National Company Law Tribunal pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
- 1.10. "Transferee Company" or "IEIL" means ION EXCHANGE (INDIA) LIMITED, a public limited company, which is listed on recognized stock exchanges, incorporated under the Companies Act, 1956 on March 6, 1964 with CIN - L74999MH1964PLC014258 and validly existing under the provisions of the Companies Act, 2013 and having its registered office at Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011.
- 1.11. "Transferor Company No.1" or "GCSL" means GLOBAL COMPOSITES AND STRUCTURALS LIMITED, a public limited company incorporated under the Companies Act, 1956 on April 13, 2006 with CIN - U26102MH2006PLC161108 and validly existing under the provisions of the Companies Act, 2013 and having its registered office at Village Nikhole, Post - Khanivali, Wada, Thane - 421303.
- 1.12. "Transferor Company No.2" or "IEEML" means ION EXCHANGE ENVIRONMENT MANAGEMENT LIMITED, a public limited company incorporated under the Companies Act, 1956 on November 24, 2005 with CIN - U45204MH2005PLC157554 and validly existing under the provisions of the Companies Act, 2013 and having its registered office at Ion House, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011.
- 1.13. "the Undertaking" shall mean the entire business of the Transferor Companies, all their assets, rights, licenses and powers, and all of their debts, outstanding liabilities, employees, duties and obligations as on the Appointed Date including, but not in any way limited to, the following:



- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Companies, including, without being limited to, buildings and structures, offices, sundry debtors, furniture, fixtures, office equipment, appliances, vehicles, accessories, power lines, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, fixed and other assets, trade and service names and marks, and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including sales tax deferrals, tax deducted at source ('TDS'), tax collected at source, advance tax, title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages, if any of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, whether in India or abroad.
- (b) All agreements, rights, contracts, entitlements, licenses including (but not limited to) No Objection Certificate from any authorities, including the Municipal Authorities, if any, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, copyright, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies' business activities and operations.
- (c) Entitlements held by the Transferor Companies or which may accrue or become due to it as on the Appointed Date or may become so due or entitled to thereafter.
- (d) All intellectual property rights, records, files, books, papers, process information,



computer programs, manuals, data, catalogues, sales and advertising material, quotations, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents relating to the Transferor Companies' business activities and operations whether in physical or electronic mode.

- (e) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (f) Right to any claim, whether preferred or made by the Transferor Companies or not, in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses availability of Minimum Alternate Tax credit, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, if permitted under the provisions of Income-tax Act, 1961, and the applicable value added tax including but not limited to VAT, Service Tax, Goods and Service Tax or any other or like benefits under the said acts or under and in accordance with any law or act.
- (g) All debts (secured or unsecured), liabilities including contingent liabilities whether disclosed or undisclosed, duties, obligations, debentures, etc. of the Transferor Companies along with any charge, encumbrance, lien or security including leases forming part of / relating to the Transferor Companies and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that, any reference in the security documents or arrangements entered into by the Transferor Companies and under which, the assets forming part of / relating to the Transferor Companies stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that the Transferor Companies only as are vested in the Transferee Company by virtue of the Scheme. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.
- (h) All other obligations of whatsoever kind, including liabilities in respect of the employees of the Transferor Companies with regard to the payment of gratuity.
- (i) All staff, workmen, employees or other labour of the Transferor Companies.



Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto. The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act, Income-tax Act and other applicable laws, rules, regulations, bye-laws, as the case may be including any statutory modification thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1. The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date. The amalgamation between the Transferor Companies and the Transferee Company and their respective shareholders shall be in accordance with Section 2(1B) of the Income-tax Act and other relevant provisions of the Income-tax Act, 1961 as applicable.

3. CAPITAL STRUCTURE

- 3.1. The authorised, issued, subscribed and paid up share capital of Transferor Company No.1 as at December 31, 2022, is as under:

Particulars	Amount (INR)
<u>AUTHORISED SHARE CAPITAL</u>	
1,00,00,000 equity shares of Rs. 10/- each.	10,00,00,000
Total	10,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</u>	
29,35,500 equity shares of Rs. 10/- each.	2,93,55,000
Total	2,93,55,000

Subsequent to December 31, 2022, there has been no change in its Issued, Subscribed and Paid-up Share Capital.

As on date, the entire share capital of the Transferor Company No.1 is held by the Transferee Company. Accordingly, the Transferor Company No.1 is wholly owned subsidiary of the Transferee Company.

- 3.2. The authorised, issued, subscribed and paid up share capital of Transferor Company No.2 as at December 31, 2022, is as under:



Particulars	Amount (INR)
<u>AUTHORISED SHARE CAPITAL</u>	
50,00,000 Equity Shares of INR 10/- each.	5,00,00,000
Total	5,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</u>	
50,00,000 Equity Shares of INR 10/- each.	5,00,00,000
Total	5,00,00,000

Subsequent to December 31, 2022, there has been no change in its Issued, Subscribed and Paid-up Share Capital.

As on date, the entire share capital of the Transferor Company No.2 is held by the Transferee Company. Accordingly, the Transferor Company No.2 is wholly owned subsidiary of the Transferee Company.

- 3.3. The authorised, issued, subscribed and paid-up share capital of Transferee Company as at December 31, 2022 is as under:

Particulars	Amount (INR)
<u>AUTHORISED SHARE CAPITAL</u>	
1,70,00,000 Equity Shares of INR 10/- each.	17,00,00,000
Total	17,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</u>	
1,46,66,659 Equity Shares of INR 10/- each.	14,66,66,590
Total	14,66,66,590

Subsequent to December 31, 2022, there has been no change in its Issued, Subscribed and Paid-up Share Capital.

- 3.4. The shares and / or other securities of the Transferor Companies are not listed on any stock exchanges. The shares of the Transferee Company are listed on The National Stock Exchange and The Bombay Stock Exchange.



4. RATIONALE OF THE SCHEME

4.1. The Transferor Companies and the Transferee Company are part of the same group and the Transferor Companies are wholly owned subsidiaries of the Transferee Company. The rationale for the Scheme is as under:

- (a) Economies of scale, greater integration, greater flexibility, most effective network and greater market reach for the amalgamated entity and will improve the competitive position of the combined entity.
- (b) Operational synergies to the amalgamated entity which can be put to the best advantage of the stakeholders. The amalgamation will be value accretive through a realization of business synergies.
- (c) Reduce managerial overlaps which are necessarily involved in running multiple entities.
- (d) Achieve simplified corporate structure, by way of reducing the number of entities in the group.
- (e) Elimination of duplication of administrative expenses and enabling cost savings.
- (f) Carrying on and conducting the business more efficiently and advantageously, ensuring more productive and optimum utilization of various resources.

4.2. Accordingly, this Scheme is being presented for amalgamation between the Transferor Companies and the Transferee Company and their respective shareholders and for various other matters consequential, incidental, supplemental and / or otherwise integrally connected therewith pursuant to sections 230 to 232 and other applicable provisions of the Act.

5. TRANSFER AND VESTING OF UNDERTAKING

5.1. With effect from the Appointed Date and upon coming into effect of the Scheme and subject to the provisions of the Scheme, the entire Undertaking of the Transferor Companies shall be transferred to and vested in or be deemed to be transferred to and vested as a going concern in the Transferee Company.

5.2. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant laws, all consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Companies, and the rights and benefits under the same, in so far as they relate to the Transferor Companies, all quality certifications and approvals, patents and domain names, copyrights, brands, trade secrets, product registrations and other intellectual property and all other interests relating to the goods



or services being dealt with by the Transferor Companies, shall without any further act or deed, be transferred and/or deemed to be transferred to and vested in the Transferee Company under the same terms and conditions as were applicable to the Transferor Companies immediately prior to the Effective Date. In so far as the various incentives, sales tax, deferral benefits, subsidies (including applications for subsidies), available tax credits (including Minimum Alternate Tax credit, if any), rehabilitation schemes, grants, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of or to be availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferor Companies, shall be transferred and / or deemed to be transferred to or vest with and be available to the Transferee Company on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme. The Transferee Company shall make applications to and obtain relevant approvals from the concerned Governmental Authorities and / or parties as may be necessary in this behalf and the Transferor Companies shall co-operate and provide the required support wherever required.

- 5.3. The transfer and vesting of movable assets and other assets shall be effected as follows, unless Board of Directors of the Transferor and the Transferee Company decides otherwise:
- (a) All the movable assets of the Transferor Companies, and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date which shall be mutually agreed upon between the Transferor Companies and the Transferee Company on or after the Effective Date.
 - (b) In respect of any movable assets of the Transferor Companies other than those mentioned in sub-clause 5.3. (a) above, including investments, intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Companies shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme under Sections 230 to 232 and other applicable provisions of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Companies to recover or



realize the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 5.4. In relation to the assets, if any, belonging to the Transferor Companies, which require separate documents of transfer, the Transferor Companies and the Transferee Company will execute necessary documents, as and when required.

Provided that for the purpose of giving effect to the vesting order passed under Sections 230 to 232 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the record of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Companies in accordance with the provisions of Sections 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- 5.5. Upon the Scheme coming into effect and with effect from the Appointed Date, and subject to the provisions of the Scheme, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Companies as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Companies, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall, pursuant to the orders of the Hon'ble NCLT or such other Governmental authority as may be applicable under the provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies. Provided however that any charges, mortgages and/or encumbrances shall be confined only to the relative assets of the Transferor Companies or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Transferee Company and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which any of the Transferor Companies is a party) to any assets of the Transferor Companies shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company and Transferee Company shall not be obliged to create any further or additional security.

- 5.6. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Companies and realize all monies and complete and enforce all pending contracts and transactions and to accept and issue credit notes in respect of the Transferor Companies in the name of the Transferee Company in so far as may be



necessary until the transfer of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

- 5.7. The resolutions, if any, as approved and passed from time to time, under the Act, by the Board of Directors, shareholders of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company until the Board of Directors or the shareholders of the Transferee Company, as applicable, passes resolution(s) which has the effect of modifying or changing aforesaid resolutions of the Transferor Companies. If any such resolutions of the Transferor Companies have upper monetary or other limits being imposed under the provisions of the Act or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.
- 5.8. This Scheme shall not, in any manner, affect the rights of any of the creditors of the Transferor Companies or the Transferee Company.

6. CONTRACTS AND DEEDS

- 6.1. From the Effective Date, subject to the provisions hereof, without any further act of the parties, all memorandum of understanding, contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, engagements, registrations, schemes, assurances, insurance policies, guarantees and other instruments of whatsoever nature to which any of the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or have effect on the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party to or beneficiary of or obliged under the same.
- 6.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Transferor Companies occurs by virtue of this Scheme itself, the Transferee Company shall, if and to the extent required by law, enter into and / or issue and / or execute deeds, writings or confirmations, to give formal effect to the provisions of Clause 6.1. To the extent that the Transferor Companies is required prior to the Effective Date to enter into and / or issue and / or execute such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the



Transferor Companies.

- 6.3. It is hereby clarified that if any contracts, deeds, bonds, agreements, registrations, licenses, assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets), schemes, arrangements or other instruments of whatsoever nature to which the Transferor Companies is a party, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Companies shall hold such contracts, deeds, bonds, agreements, registrations, licenses, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, on and till the Effective Date.

7. EMPLOYEES OF THE TRANSFEROR COMPANIES

- 7.1. All the employees of the Transferor Companies, who are in service as on the Effective Date shall on and from the Effective Date and with effect from the Appointed Date, become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Companies immediately preceding the Effective Date. Services of the employees of the Transferor Companies shall be taken into account from the date of their respective appointment with the Transferor Companies for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Companies shall also be taken into account.
- 7.2. On and from the Effective Date and with effect from the Appointed Date, the services of the employees of the Transferor Companies will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.
- 7.3. It is expressly provided that, on the Scheme becoming effective and with effect from the Appointed Date, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the staff, workmen and other employees of the Transferor Companies shall become trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds or trusts or in relation to the obligation to make contributions to the said funds or trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds or other documents, if any. It is the aim, and intent of the Scheme that all rights, duties, powers and obligations of the Transferor Companies in relation to such funds or trusts shall become those



of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Companies which are employed with the Transferee Company will be treated as having been continuous for the purpose of the said fund or funds. The trustees including the Board of Directors of the Transferor Companies and the Transferee Company or through any committee / person duly authorised by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Companies.

8. BOARD OF DIRECTORS OF THE TRANSFEROR COMPANIES

- 8.1. The Board of Directors (or any committee/ sub-committee thereof) of the Transferor Companies, upon this Scheme becoming effective, shall without any further act, instrument and deed stand dissolved. All directors of the Transferor Companies shall cease to be directors of the Transferor Companies on coming into effect of this Scheme. However, if any such director is a director of the Transferee Company, he will continue to hold his office in the amalgamated Transferee Company.

9. LEGAL PROCEEDINGS

- 9.1. If any suit, appeal, petition, complaint, application or other legal proceedings of whatsoever nature (hereinafter referred to as the "Proceedings") by or against the Transferor Companies is pending as on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation between the Transferor Companies and the Transferee Company or by anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies in the absence of this Scheme.
- 9.2. On and from the Effective Date, the Transferee Company shall, if required, initiate any legal proceedings in relation to the present and past business, undertakings, properties and assets of the Transferor Companies.

10. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE

- 10.1. Unless otherwise stated herein, from the Appointed Date until the Effective Date:
- (a) The Transferor Companies shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall continue to hold and stand possessed of all the assets, properties and liabilities for



and on account of and in trust for the Transferee Company. The Transferor Companies hereby undertakes to hold the assets, properties and liabilities with utmost prudence until the Effective Date.

- (b) The Transferor Companies shall carry on its business and activities with reasonable diligence and business prudence and shall not, alter or diversify its respective business nor venture into any new business, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business.
- (c) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies, shall for all purposes be treated as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- (d) The Transferor Companies shall not vary the terms and conditions of employment of any of the employees except in the ordinary course or pursuant to any pre-existing obligation undertaken by the Transferor Companies as the case may be.
- (e) The Transferor Companies shall not make any change in its capital structure (paid-up capital), whether by way of increase, decrease, reduction, re-classification, subdivision or consolidation, re-organisation, or in any other manner, except by and with the consent of the Board of Directors of IEIL.
- (f) GCSL and IEEML shall not declare or pay any dividends, whether interim or final, to its respective equity shareholders in respect of the accounting period prior to the Effective Date, except with the prior approval of the Board of Directors of IEIL.

- 10.2. The Transferor Company either individually or jointly with the Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and /or other agencies, departments and authorities concerned as may be necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies and to give effect to the Scheme.

11. SAVING OF CONCLUDED TRANSACTION

- 11.1. The transfer of the entire business, properties, assets and Undertaking of the Transferor Companies to the Transferee Company and the continuance of all contracts or proceedings by or against the Transferor Companies shall not affect any transaction, contracts or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and / or executed by the Transferor Companies in regard thereto, as if done or executed on behalf of the Transferee Company.



12. ISSUE OF SHARES

- 12.1. The entire issued, subscribed and paid-up equity share capital of the Transferor Companies are held by the Transferee Company and its nominee(s). In other words, the Transferor Companies are wholly owned subsidiaries of the Transferee Company. Accordingly, upon this scheme becoming effective, the Transferee Company would not be required to issue and allot any shares to the shareholders of the Transferor Companies.

13. ACCOUNTING TREATMENT

- 13.1. On the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Companies in its books of account in accordance with "Pooling of Interest Method" laid down under Appendix C of IND AS 103 (Business combination of entities under common control) and/ or any other applicable IND AS, as the case may be, as notified under Section 133 of the Act read with relevant rules issued thereunder. It would inter-alia include the following:

- (a) All the assets and liabilities of the Transferor Companies shall be transferred and vested in the books of the Transferee Company pursuant to this Scheme and shall be recorded by the Transferee Company at their respective book values appearing in the books of the Transferor Companies.
- (b) The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies, prior to this Scheme becoming effective.
- (c) The investments in the equity share capital of the Transferor Companies as appearing in the books of accounts of the Transferee Company shall stand cancelled.
- (d) Inter-Company balances, loans and advances, if any, between the Transferor Companies and the Transferee Company, will stand cancelled.
- (e) The difference, if any, between the amount of the investments in the equity share capital of the Transferor Companies cancelled as mentioned in clause (c) above and the amount of combined share capital of the Transferor Companies shall be credited to capital reserve account or debited to retained earnings, as the case maybe, of the Transferee Company.



- (f) The financial statements of the Transferee Company will reflect the financial position based on consistent accounting policies. In case of any difference in any of the accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy and in conformity with applicable standards.

14. TREATMENT OF TAXES

- 14.1. Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, The Central Goods and Service Tax Act, 2017, stamp laws, if any as amended from time to time or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "Tax Laws") allocable or related to the business of the Transferor Companies to the extent not provided for or covered by appropriate tax provisions in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 14.2. All taxes (including but not limited to Income-tax, Goods and Service tax etc.) paid or payable by the Transferor Companies in respect of the operations and / or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation Income-tax, service tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall in all proceedings, be dealt with accordingly.
- 14.3. Upon the Scheme becoming effective, the Transferor Companies (if required) and the Transferee Company are expressly permitted to revise its financial statements, annual accounts and tax returns including but not limited to TDS Certificates, TDS returns, etc. along with prescribed forms, filings and annexures under the Income-tax Act, Service tax and other tax laws, and to claim refunds and / or credit for taxes paid (including minimum alternate tax, advance taxes, TDS, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

The relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the order on this Scheme by the Hon'ble NCLT or any other appropriate authority and upon relevant proof and documents being provided to the said authorities.



- 14.4. All tax assessment proceedings / appeals of whatsoever nature by or against the Transferor Companies pending and / or arising at the Appointed Date and relating to them shall be continued and / or enforced until the Effective Date by the Transferor Companies. 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 Transferor Companies. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.
- 14.5. Any refund under the Tax Laws received by / due to the Transferor Companies consequent to the assessments made on the Transferor Companies subsequent to the Appointed Date and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 14.6. Without prejudice to the generality of the foregoing, all benefits including but not limited to benefits relating to Income-tax, service tax, etc., to which the Transferor Companies is entitled in terms of the applicable tax laws of the Union and State Governments, shall be available to and vest in the Transferee Company.
- 14.7. Further, any tax deducted at source by the Transferor Companies / the Transferee Company on transactions with the Transferee Company / Transferor Companies, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 14.8. Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Companies on or after Appointed Date shall be deemed to be made by the Transferee Company.
15. **COMBINATION AND ENHANCEMENT OF AUTHORISED SHARE CAPITAL**
- 15.1. Upon this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to ROC, by the authorised share capital of the Transferor Companies as on the Effective Date. The Authorised Share Capital of the Transferee Company stands increased to INR 32,00,00,000 (Rupees Thirty Two Crores Only) divided into 3,20,00,000 (Three Crore Twenty Lakh) equity shares of INR 10/- each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be



increased and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme (in case dispensation for holding meeting of shareholders of the Transferee Company is not granted)/ the approval of this Scheme by the NCLT (in case dispensation for holding meeting of shareholders of the Transferee Company is granted) shall be deemed to be sufficient for the purposes of effecting this amendment, and no resolution(s) under Sections 13, 14 and 61 of the Companies Act, 2013 and Section 230 of the Act and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorised capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and / or fee by the Transferee Company for increase in the authorised share capital to that extent and the Transferee Company shall pay the differential fees/ stamp duty, if any, on the enhanced authorised share capital pursuant to the amalgamation after set-off the fee/stamp duty paid by the Transferor Company on its authorised capital prior to amalgamation.

- 15.2. It is clarified that the consent of the shareholders of the Transferee Company to the Scheme (in case dispensation for holding meeting of shareholders of the Transferee Company is not granted)/ the approval of this Scheme by the NCLT (in case dispensation for holding meeting of shareholders of the Transferee Company is granted) shall be deemed to be the consent of shareholders of the Transferee Company to the alteration of the Memorandum of Association of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

“V a) The Authorised Share Capital of the Company is INR 32,00,00,000 (Rupees Thirty Two Crores Only) divided into 3,20,00,000 (Three Crore Twenty Lakh) equity shares of INR 10/- each”

16. DISSOLUTION OF THE TRANSFEROR COMPANIES

- 16.1. On and from the Effective Date, the Transferor Companies shall stand dissolved without being wound up.

17. ALTERATION OF MAIN OBJECTS CLAUSE OF THE TRANSFEE COMPANY

- 17.1. Upon coming into effect of the Scheme, the entire Main Objects Clause of both the Transferor Companies shall be inserted at the end of Main Objects Clause of the Memorandum of Association of the Transferee Company as Clause No. 3 (1I) to 3(1P) which is as under:



“(1I) To carry on the business in India or abroad to establish, manufacture, design, fabricate, assemble, job work, install, maintain, manage, repair, erect, operate, buy, sell, import, export, trade market, distribute, hire, let on hire, lease, and to act as contractors, sub-contractors, agent, broker, representative, supplier, consultant, stockist, or otherwise to deal in all varieties, descriptions, specifications, characteristics, and applications of fibre glass reinforcements plastic (FRP), FRP pipings, FRP sheets, FRP composites, cable trays, engineering products, construction materials, designing and structural fabrication of metal & steels structures, wooden structures, composite structures, sheet metal fabrication and building raw materials and to undertake contract works of construction of buildings residential, commercial, or industrial structures, RCC & Steel structure or any other super structures and installation of all types of structures and foundation thereof.

(1J) To carry on business as manufactures, importers, exporters, buyers, sellers, distributors, dealers, sub-contractors, repairers, agents and to act as electrical engineers, iron founders, mechanical engineers, electrical engineers, consulting engineers, architects, surveyors, valuers, building and constructional contractors, tool- makers, die casters, brass founders, metal workers, machinists, iron and steel converters and processors, gas makers, carriers, composites, components, metallurgists and water supply engineer's and manufactures of electrical instruments, apparatus, equipments, tools, motors generators, pumps, tools, dies, jigs, fixtures, patterns, designs, plants & machineries, welders, electroplating apparatus, spare parts, engineering items, fabricated items, Fibre Glass Reinforcements Plastic (FRP) and other material and to do structural fabrication, accessories and components of all description whether electrical mechanical or otherwise.

(1K) To carry on the business of design, engineering, procurement, supply construction and installation of Municipal sewage treatment Plants and industrial wastewater treatment Plants and/or Projects and the operation & maintenance thereof.

(1L) To carry on the business of Industrial and Municipal solid waste disposal and management, sludge and bio-solids treatment, air pollution control technology, soil remediation technology and waste management projects.

(1M) To carry on the business of Process water and drinking water treatment and distribution projects.

(1N) To carry on all or any of the business of manufacturing and selling water and wastewater treatment plants, water treatment chemicals, resins and other specialty chemicals.



(10) To carry on all or any of the business of manufacturer of and dealer in resins, organic solvents, water treatment chemicals, petro-chemicals, electro-chemicals, compounds and products thereof; designers, fabricators, manufacturers, contractors and dealers in water treatment machinery, equipment and plants, industrial and scientific apparatus and materials; process and design engineers, and without limiting the generality of the foregoing, in particular as process and design engineers for softening, purification or other treatment of water for industrial, municipal, domestic and other purposes to engage in all or any of the businesses of assemblers, processors, repairers, finishers and manufacturers of and dealers in industrial and municipal plant, machinery, equipment and tools of all description, and components and accessories thereof; and in any similar or allied business and either in connection with any of the said businesses or as distinct or separate businesses.

(1P) To act as engineers and consultants for environmental protection and prevention of water and atmospheric pollution, to act as environmental management consultants."

17.2. It is clarified that the consent of the shareholders of the Transferee Company to the Scheme (in case dispensation for holding meeting of shareholders of the Transferee Company is not granted)/ the approval of this Scheme by the NCLT (in case dispensation for holding meeting of shareholders of the Transferee Company is granted) shall be deemed to be the consent of shareholders of the Transferee Company to the alteration of the Memorandum of Association of the Transferee Company under Sections 13 and all other applicable provisions of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under the relevant Sections of the Act for the amendment of the Memorandum of Association and Articles of Association as above.

17.3. It has been stated that the Transferee Company would make all necessary filings with the ROC and such other authorities as may be required, with respect to the amendment in Main Objects Clause of the Memorandum of Association of the Transferee Company.

18. APPLICATION TO THE NCLT

18.1. The Transferor Companies and the Transferee Company as may be directed by the NCLT shall make and file necessary applications and petitions to the NCLT or any other appropriate authority, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for sanctioning this Scheme and for dissolution of the Transferor Companies without being wound up.



19. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 19.1. The Transferor Companies (by its Board of Directors) and the Transferee Company (by its Board of Directors) or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme or to any conditions or limitations that the NCLT or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the NCLT or such other Governmental Authority, whether in pursuance of a change in law or otherwise. The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions 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. All modification / amendments in pursuant to this Clause shall be subject to approval of NCLT.
- 19.2. For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the delegate(s) and / or the directors of the Transferor Companies and / or the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

20. CONDITIONALITY OF THE SCHEME

- 20.1. The Scheme, in relation to the amalgamation of Transferor Companies with Transferee Company, is conditional upon and subject to the following:
- (a) The requisite consent/ intimation/ approval/ permission, as may be required of the Central Government or any other statutory or regulatory authority, including Stock Exchange(s) and/or Securities and Exchange Board of India, if any, which by law may be necessary for the implementation of this Scheme.
 - (b) The Scheme being approved by the respective requisite majorities of the shareholders and/ or creditors of the Transferor Companies and the Transferee Company as required, if any and/ or as may be directed by the jurisdictional NCLT.
 - (c) Sanctions and orders under the provisions of Sections 230 to 232 and other applicable provisions of the Act being obtained by the Transferor Companies and the Transferee Company from the NCLT.



- (d) Filing of Certified copies of Orders of NCLT sanctioning this Scheme pursuant to Sections 230 to 232 and other applicable provisions of the Act with the ROC, Mumbai, Maharashtra by the Companies.

21. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

- 21.1. In the event of any of the said sanctions and approvals referred to in Clause 20 are not being obtained and / or complied with and / or satisfied and / or the Scheme not being sanctioned by the NCLT, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred between the Transferor Companies and 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 in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of each of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare this Scheme of no effect if such Board of Directors are of the view that the coming into effect of this Scheme in terms of the provisions of this Scheme or filing of orders with any authority could have adverse implications on either or both the Transferor Companies and the Transferee Company.

22. COSTS, CHARGES AND EXPENSES

- 22.1. All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

