

SCHEME OF ARRANGEMENT

BETWEEN

**RUNAYA REFINING LLP
(‘DEMERGED LLP’)**

AND

**RUNAYA METSOURCE LLP
(‘TRANSFereeE LLP’)**

AND

THEIR RESPECTIVE PARTNERS AND CREDITORS

**(Under Sections 60 to 62 and other applicable provisions of the Limited Liability
Partnership Act, 2008 and rules framed thereunder**

PREAMBLE

This Scheme of Arrangement (*as defined hereinafter in Clause 1.6*) is presented under Sections 60 to 62 and other applicable provisions of the Act for demerger of the Demerged Undertaking (*as defined hereinafter in Clause 1.3*) of Runaya Refining LLP (“Demerged LLP” or “RRL”) and vesting of the same into it’s holding LLP Runaya Metsource LLP (“Resulting LLP” or “RML”). In addition, the Scheme also provides for various other matters consequential and/or otherwise integrally connected therewith.



A. BACKGROUND

1. RRL

- (a) Runaya Refining LLP ('Demerged LLP') is a limited liability partnership incorporated on 27 February 2017 under the Limited Liability Partnership Act, 2008 (LLPIN: AAI-6720) and having its registered office at Unit-501, Windsor House, BHD, B.K.C., Off CST Road, Vidyanagari Marg, Santacruz (East), Mumbai-400098,
- (b) RRL is engaged in the businesses of Aluminium Dross Processing, both hot and cold dross processing at Jharsuguda (Jharsuguda Dross Processing Business") and w.e.f. 1 May, 2022 at Balco (Balco Dross Processing Business") and Value Added Products business.
- The Dross Processing business involves two stages of waste handling, where the Aluminium metal is recovered through hot and cold processing in first and second stage. The first stage "hot dross processing" separates the molten aluminium from the aluminium dross without any additional heating or salts. The depleted dross is then transferred to the second stage, "cold dross processing" unit, where it is cooled, crushed to Non-Metallic Particles and remnant aluminium is separated from it. The metal recovered in both first and second stage is handed over to the Cast Houses for melting and converting to finished goods.
- (c) After separation of the remanant Aluminium, the Non-Metallic Particles are transferred to the third stage "Value Added Products" where the Non-Metallic Particles are converted to Steel Slag Conditioners. The three-stage process helps to produce two value added products, Green Aluminium and Steel Slag Conditioners.

2. Runaya Metsource LLP

- (a) Runaya Metsource LLP ('Resulting LLP') is a limited liability partnership incorporated on 14 May 2016 under the provisions of the Limited Liability Partnership Act, 2008 (LLPIN: AAG-3715) and having its registered office at Unit-501, Windsor House, BHD, B.K.C., Off CST Road, Vidyanagari Marg, Santacruz (East), Mumbai-400098,
- (b) RML is holding 99% partnership interest in RRL. RML acts an agent for connecting buyers and sellers for trading in metals. It operates through various subsidiaries joint venture and LLPs. Through such subsidiaries, joint venture and LLPs, RM



is inter alia engaged in the business of sustainably recovering metals from dross which inter alia ensures a reduced impact of mining on the environment, manufacture of Telecom Grade FRP & ARP Rods, providing mining support & solutions to their clients, etc.

B. RATIONALE AND PURPOSE OF THE SCHEME

- (a) Jharsughuda Dross Processing Unit was the first location through which RRL had commenced its innovative operations and on the basis of which RRL was recognized as a startup by Department for Promotion of Industry and Internal Trade on 28 April 2021. To continue its innovative journey, to add to its ability of creating wealth from waste, it is in the interest of RRL to focus on its operations at Jharsughuda which have enabled it to grow and expand. It is believed by the partners that the Jharsughuda plant requires a focused management team to focus on other innovative processes relating to treatment of Dross and other waste arising in the process of manufacturing aluminium. Therefore, RRL through this Scheme wants to separate the other businesses from the Jharsughuda Plant.
- (b) RML's primary objective is to increase its operations and enhance its ability to raise finances for all its businesses. RML believes that the financing opportunities will be easier to achieve and it will be able to expand and grow its operations if RML is itself directly engaged in manufacturing operations which will vest in it pursuant to this Scheme.



Accordingly, in order to achieve the above objectives, the respective partners have resolved to make requisite applications and/or petitions before the Hon'ble National Company Law Tribunal as the case may be and as applicable under Section 60 to 62 of the Act and the rules framed thereunder and other applicable provisions for the sanction of this Scheme.

C. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- PART I** : Definitions and Partner's Capital;
- PART II** : Demerger of Demerged Undertaking of RRL and its vesting into RML;
- PART III** : General Terms and Conditions that would be applicable to the Scheme.



PART – I

DEFINITIONS, DATE OF TAKING EFFECT AND SHARE CAPITAL

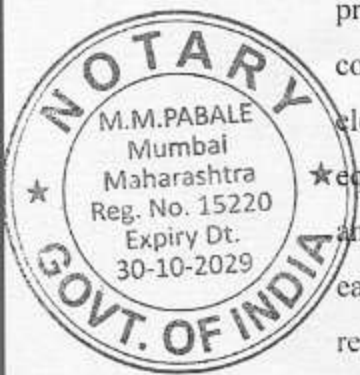
1 DEFINITIONS

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

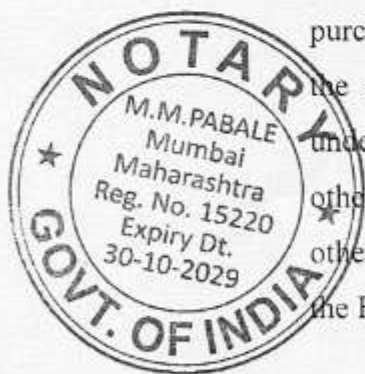
- 1.1 **“Applicable Accounting Standards”** shall mean the standards of accounting as specified by Rule 3 of Companies (Accounting Standards) Rules, 2021 applicable to Companies. As and when, the accounting standards are prescribed under section 34A of the Act by the Central Government in consultation with the National Financial Reporting Authority, which are recommended by the Institute of Chartered Accountants of India, those accounting standards shall be the Applicable Accounting Standards.
- 1.2 **“Act” or “the Act”** means the Limited Liability Partnership Act, 2008 read with rules, notification, circulars, clarification, orders issued thereunder and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 1.3 **“Appointed Date”** shall mean 1st April, 2024;
- 1.4 **“Demerged Undertaking”** shall mean all the business, undertakings, activities, properties, assets and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to the Balco Dross Processing Business and/or the Value Added Product Business of RRL including and without limitation to the generality of the foregoing, the following:

- (a) all assets, as are movable in nature pertaining only to and in relation to the Balco Dross Processing Business and/or the Value Added Product Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools), stock-in-trade, stock-in-transit, supplies, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash, cash equivalents and bank balances, and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees, corporate guarantees and letters of credit and indirect tax related assets (including but not limited to GST input credits).

- (b) All intangible assets, if any of the Balco Dross Processing Business and/or the Value Added Product Business



- (c) all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, structures, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the Balco Dross Processing Business and/or the Value Added Product Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (d) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages and other licenses/permits granted/issued/ given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the Balco Dross Processing Business and/or the Value Added Product Business or in connection therewith;
- (e) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier / manufacturer of goods / service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Balco Dross Processing Business and/or the Value Added Product Business;
- (f) all books, records, files, papers, software licenses (whether proprietary or otherwise), lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Balco Dross Processing Business and/or the Value Added Product Business;
- (g) all debts, liabilities including contingent liabilities, whether present or future, duties, taxes and obligations of RRL pertaining to the Balco Dross Processing Business and/or the Value Added Product Business and/or arising out of and/or relating to the Business;



Balco Dross Processing Business and/or the Value Added Product Business including:

- i. the debts, liabilities, duties and obligations of RRL which arises out of the activities or operations of the Balco Dross Processing Business and/or the Value Added Product Business; and
 - ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Balco Dross Processing Business and/or the Value Added Product Business; and
- (h) all employees of RRL employed/engaged directly relating to the Balco Dross Processing Business and/or the Value Added Product Business as on the Effective Date; and
- (i) all legal or other proceedings of whatsoever nature that pertain to the Balco Dross Processing Business and/or the Value Added Product;

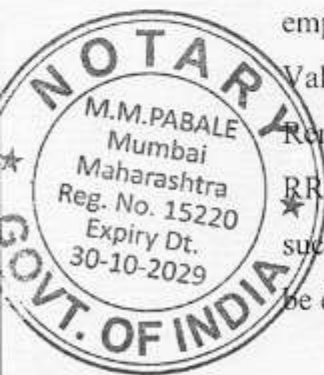
It is hereby clarified that all other assets and liabilities including, in particular, the assets used by RRL for Remaining Business shall not form part of the Demerged Undertaking and shall not be transferred to and vested in RML and shall accordingly be retained and remain vested in RRL;

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Balco Dross Processing Business and/or the Value Added Product Business or whether it arises out of the activities or operations of the Remaining Business, the same shall be decided by mutual agreement between Partners of RRL and RML, at anytime, either before or after the coming into effect of this scheme and such agreement as recorded by agreement or specified in joint or several resolutions shall be deemed to, form part of this Scheme;

- 1.5 **“Effective Date”** means last of the dates on which all conditions, matters and filings required by this Scheme have been fulfilled and necessary orders, approvals and/or consents referred to therein have been obtained and filed with the Registrar of Firms, Mumbai. References in this Scheme to the date of **“coming into effect of this Scheme”** or **“upon the Scheme being effective”** shall mean the Effective Date.


“Remaining Business” in relation to the Demerged LLP means all the undertakings, business, activities and operations, including all the assets and liabilities of the Demerged LLP, excluding that of the Business/ Demerged Undertaking.



- 1.7 **“Scheme of Arrangement” or “Scheme” or “the Scheme” or “this Scheme”** shall mean this Scheme of Arrangement including any modification or amendment hereto, made in accordance with the terms hereof, as per Clause 13 of the Scheme.
- 1.8 **“Resulting LLP” or “RML”** means Runaya Metsource LLP, a limited liability partnership incorporated under the Limited Liability Partnership, 2008 and having its registered office at Unit-501, Windsor House, BHD, B.K.C., Off CST Road, Vidyanagari Marg, Santacruz (East), Mumbai-400098.
- 1.9 **“Demerged LLP” or “RRL”** means Runaya Refining LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008 and having its registered office at Unit-501, Windsor House, BHD, B.K.C., Off CST Road, Vidyanagari Marg, Santacruz (East), Mumbai-400098.
- 1.10 **“Tribunal”** shall mean the National Company Law Tribunal, Mumbai Bench as empowered to approve compromises, arrangements and amalgamations in terms of Sections 60 to 62 of the Act and other relevant provisions as may be applicable.


2 PARTNER'S CAPITAL

- 2.1 The fixed partner's capital of **“RRL”** or **“Demerged LLP”** as on 1st April, 2024 is as under:



Particulars	Amount (INR)
<u>Fixed Partner's Capital:</u>	
Runaya Metsource LLP	10,00,000
Mrs. Ruchira Agarwal	4,000
Mr. Naivedya Agarwal	3,000
Mr. Annanya Agarwal	3,000
Total	10,10,000

Subsequent to the above date and till the date of filing of this Scheme as approved by the Partners of RRL, there is no change in the fixed partner's capital of RRL.



The fixed partner's capital of **“RML”** or **“Resulting LLP”** as on 1st April, 2024 is as under:



Particulars	Amount (INR)
<u>Fixed Partner's Capital:</u>	
Mrs. Ruchira Agarwal	40,000
Mr. Naivedya Agarwal	30,000
Mr. Annanya Agarwal	30,000
Total	1,00,000

- 2.3 The fixed partner's capital of "RML" or "Resulting LLP" as on 30th September, 2024 is as under:

Particulars	Amount (INR)
<u>Fixed Partner's Capital:</u>	
Twinstar Overseas Limited	99,000
Mrs. Ruchira Agarwal	400
Mr. Naivedya Agarwal	300
Mr. Annanya Agarwal	300
Total	1,00,000



Subsequent to the above date and till the date of filing of this Scheme as approved by the Partners of RML, there is no change in the fixed partner's capital of RML.

PART - II

DEMERGER OF DEMERGED UNDERTAKING OF RRL AND ITS VESTING IN RML

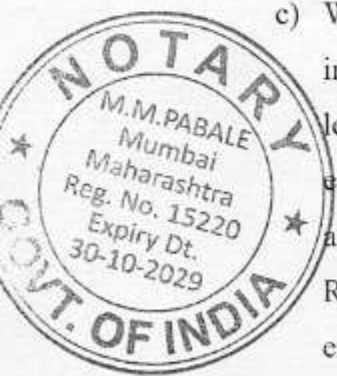
3 TRANSFER AND VESTING OF DEMERGED UNDERTAKING OF RRL

- 3.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Demerged Undertaking shall, without any further act, instrument, deed, matter or thing, be demerged from RRL and transferred to and vested in RML as a going concern under the provisions of sections 60 to 62 of the Act and other applicable provisions.



3.2 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, on occurrence of the Effective Date, the whole of the business, personnel, property, assets, liabilities, investments, rights, benefits and interest therein of the Demerged Undertaking of RRL shall, with effect from the Appointed Date, stand transferred to and be vested in RML, without any further act or deed, and by virtue of the order passed by the NCLT. Without prejudice to the generality of the above, and in particular, the Demerged Undertaking of RRL shall stand transferred to and be vested in the RML in the manner described below:

- a) With respect to the assets of the Demerged Undertaking that are movable in nature and which are or are otherwise capable of being transferred by manual delivery or by paying over or endorsement or delivery, including cash in hand, the same may be so transferred by RRL and shall on and from the Appointed Date stand vested in RML as on the Appointed Date without any further act or deed or instrument of conveyance for the same and shall become the property of RML.
- b) With respect to the assets of the Demerged Undertaking, other than those referred to in Clause (a) above, including all rights, title and interests in the agreements, contracts, investment in shares of any body corporate, fixed deposits, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, earnest moneys and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of RRL, shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in RML, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of the Resulting Company.
- c) Without prejudice to the aforesaid, all the immovable property whether or not included in the books of RRL pertaining to the Demerged Undertaking, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in co-operative housing societies associated with such immoveable property) shall stand transferred to and be vested in RML, with effect from the Appointed Date, without any act or deed to be done or executed by the RRL and/or RML. With regard to the licenses of the properties, RML will enter into novation agreements, if it is so required.
- d) Upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of RRL, and the rights and benefits under the same, in so far as they relate to the Demerged Undertaking



and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and other intellectual properties (whether owned, licensed or otherwise, and whether registered or unregistered) that exclusively relate to Demerged Undertaking and all other interests relating to the goods or services being dealt with by the Demerged Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by RRL in relation to the Demerged Undertaking shall be transferred to and vested in RML and the concerned licensors and granters of such approvals, clearances, permissions etc., shall endorse, where necessary, and record, in accordance with law. It is further clarified that all the permits, licenses, certificates and approvals of the Demerged Undertaking of RRL including but not limited to the licenses as mentioned in the Annexure A, shall be transferred and shall be deemed to have been transferred to RML without any further act or deed.

All such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Demerged Undertaking of RRL in RML and continuation of operations pertaining to the Demerged Undertaking of RRL in RML without hindrance shall be granted and shall be deemed to have been granted by the Concerned Regulators and/ or Authorities. Such approvals, clearances and permissions shall remain in full force and effect in favour of or against RML, as the case may be, and may be enforced as fully and effectually as if, instead of RRL, RML had been a party or beneficiary or obligee thereto. Provided that all the permits, licenses, certificates and approvals which are common between the Demerged Business and the Resulting Business, in addition to being transferred to RRL, will remain in force in RRL for the smooth functioning for the Remaining Business in RRL.

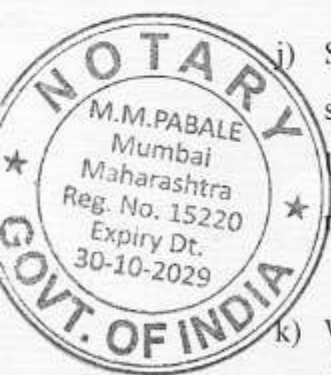


In so far as various incentives, subsidies, exemptions, special status, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by RRL are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to RML on the same terms and conditions as if the same had been allotted and/or granted and/or sanctioned and/or allowed to RML.

- f) Any claims due to RRL from its customers or otherwise and which have not been received by RRL as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the Demerged Undertaking, shall also belong to and be received by RML.



- g) Any accretion to the Demerged Undertaking by RRL after the Appointed Date and prior to the Effective Date by operation of the Demerged Undertaking shall also stand transferred to and vested in RML.
- h) All debts, duties, obligations and liabilities (including contingent liabilities) of RRL relating to the Demerged Undertaking shall without any further act, instrument or deed be and stand transferred to RML and shall thereupon become the debts, duties, obligations and liabilities of RML which it undertakes to meet and discharge. 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, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- i) In so far as loans and borrowings of RRL are concerned, the loans and borrowings and such amounts pertaining to the general and multipurpose loans and borrowings, and liabilities, if any, which are to be transferred to RML in terms of clause 3.2 above, being a part of the Demerged Undertaking shall, without any further act or deed, become loans and borrowings of RML, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against RML as if it had undertaken such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of RML. However, without prejudice to such transfer of proportionate liability amount, if any, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, RML may discharge such liability (including accretions) by making payments on the respective due dates to RRL, which in turn shall make payments to the respective creditors.
- j) Subject to clause 3.2(j) and clause 3.2(k) below, from the Effective Date, RML alone shall be liable to perform all obligations in respect of the liabilities of the Demerged Undertaking as the borrower/issuer thereof, and RRL shall not have any obligations in respect of the said liabilities.
- k) Where any of the liabilities and obligations of RRL as on the Appointed Date deemed to be transferred to RML, have been discharged by RRL after the Appointed Date and prior to the Effective Date pertaining to Demerged Undertaking, such discharge shall be deemed to have been for and on account of RML and all liabilities and obligations incurred by RRL for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of RML and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to RML and shall become the liabilities and obligations of RML which shall meet, discharge and satisfy the same.



- l) Subject to the other provisions of this Scheme, in so far as the assets of the Demerged Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of RRL shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of RRL which are not transferred to RML.
- m) In so far as the assets of the Remaining Business of RRL are concerned, the security, pledge, existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Demerged Undertaking shall, without any further act, instrument or deed be released and discharged from such security, pledge, charges and mortgages. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.

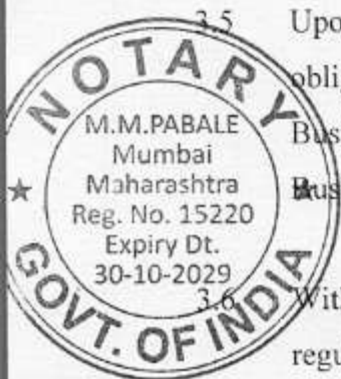
3.3 In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of RRL are concerned, such security shall, without any further act, instrument or deed be continued with RRL only on the assets which are remaining with RRL.

3.4 Without any prejudice to the provisions of the foregoing clauses and upon the Scheme being effective, RRL and RML shall enter into and execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Firms, to give formal effect to the provisions of this clause and foregoing clauses, if required.

3.5 Upon the coming into effect of this Scheme, RRL alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations to the Remaining Business of RRL and RML shall not have any obligations in respect of the Remaining Business of RRL.

3.6 Without any prejudice to the provisions of the foregoing clauses, to comply with any regulatory/legal requirement, RRL and RML shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required to transfer/register any particular asset(s) and/or liability of the Demerged Undertaking in favour of RML.

3.7 On and from the Effective Date, and thereafter, RML shall be entitled to operate all bank accounts of RRL, solely in relation to or in connection with the Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes, in relation to or in connection with the Demerged Undertaking, in the name of RML in so far as it may be necessary until the



transfer of rights and obligations of the Demerged Undertaking to RML under this Scheme, have been formally given effect to under such contracts and transactions.

- 3.8 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of RRL, in relation to or in connection with the Demerged Undertaking, have been replaced with that of RML, RML shall be entitled to operate the bank accounts of RRL, in relation to or in connection with the Demerged Undertaking, in the name of RRL in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of RRL, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of RML and credited to the account of RML, if presented by RML. RML shall be allowed to maintain bank accounts in the name of RRL for such time as may be determined to be necessary by RML for presentation and deposition of cheques and pay orders that have been issued in the name of RRL and are in relation to or in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against RRL, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of RRL shall be instituted, or as the case may be, continued by or against RML after the coming into effect of this Scheme.

4 LEGAL PROCEEDINGS

- 4.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against RRL, under any statute or regulation or rules or guideline, arising and pending on and after the Appointed Date, or which may be instituted any time in the future and in each case relating to the Demerged Undertaking shall be continued and/or enforced by or against RML after the Effective Date and RML shall be substituted as a party to such proceedings in place of RRL.

RML shall be responsible for and shall be party to all legal or other proceedings initiated with respect to the Demerged Undertaking, and any such existing proceedings, on and from the Appointed Date shall stand transferred into its name and RML shall be entitled to have the same continued, prosecuted and enforced by or against RML to the exclusion of RRL and shall be liable for the same to the exclusion of RRL.

5 CONTRACTS, DEEDS, ETC

- 5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which RRL is a party or



the benefit of which RRL may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of RML, as the case may be, and may be enforced as fully and effectually as if, instead of RRL, RML had been a party or beneficiary or obligee thereto.

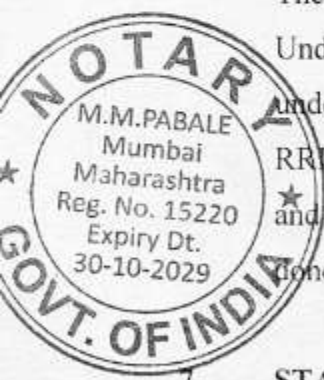
- 5.2 Notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, RML may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which RRL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. RRL will, if necessary, also be a party to the above. RML shall at the request of RRL, execute any such writings on behalf of RRL and to carry out or perform all such formalities or compliances referred to above on the part of RRL to be carried out or performed. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which RRL owns or to which RRL is a party to, cannot be transferred to RML for any reason whatsoever, RRL shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of RML, in so far as it is permissible so to do, till such time as the transfer is effected.

6 SAVING OF CONCLUDED TRANSACTIONS

The transfer and the vesting of the assets, liabilities and obligations of the Demerged Undertaking under clause 3 hereof and the continuance of proceedings by or against RML under clause 4 hereof shall not affect any transaction or proceedings already completed by RRL on or after the Appointed Date, to the end and intent that RML accepts all acts, deeds and things done and executed by and/or on behalf of RRL as acts, deeds and things made, done and executed by and on behalf of RML.

7 STAFF, EMPLOYEES & WORKMEN

- 7.1 Upon the coming into effect of this Scheme, all the employees relating to the Demerged Undertaking that were employed by RRL, immediately before the Effective Date, shall become the employees of RML without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Demerged Undertaking of RRL immediately prior to the demerger of the Demerged Undertaking.



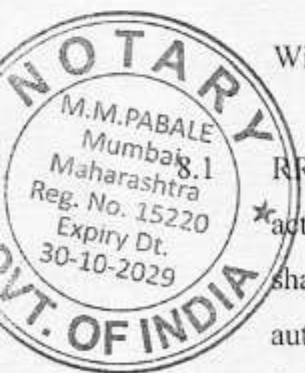
- 7.2 RML agrees that the service of all employees pertaining to the Demerged Undertaking with RRL up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in RRL up to the Effective Date. RML further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with RRL, shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 7.3 Upon the coming into effect of this Scheme, RML shall make all the necessary contributions for such transferred employees relating to the Demerged Undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. RML will also file relevant intimations in respect of the Demerged Undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of RML for RRL.
- 7.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by RRL for employees of the Demerged Undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the Demerged Undertaking as on the Effective Date, who are being transferred along with the Demerged Undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of RML and till the time such necessary funds, schemes or trusts are created by RML, all contribution shall continue to be made to the existing funds, schemes or trusts of RRL.

8 BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF DEMERGED UNDERTAKING FOR RML

With effect from the Appointed Date and up to and including the Effective Date:

RRL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for RML.

- 8.2 All profits and income accruing or arising to RRL from the Demerged Undertaking, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking shall, for all purposes, be treated as and be deemed to be the profits income, losses expenditure, as the case may be, of RML.



8.3 Any of the rights, powers, authorities, privileges attached, related or pertaining to the Demerged Undertaking exercised by RRL shall be deemed to have been exercised for and on behalf of, and in trust for and as an agent of RML. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by RRL shall be deemed to have been undertaken for and on behalf of and as an agent for RML.

8.4 RRL and/or RML shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/ administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which RML may require to carry on the business of the Demerged Undertaking.

9 TREATMENT OF TAX

9.1 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/ payables by RRL relating to the Demerged Undertaking including all or any refunds/ credits/ claims/ tax losses/ unabsorbed depreciation/ alternate minimum tax credit relating thereto may be treated as the assets/ liability or refund/ credit/ claims/ tax losses/ unabsorbed depreciation/ alternate minimum tax credit, as the case may be, of RML. However, income-tax paid by or on behalf of RRL pertaining to the period before the Appointed Date shall continue to remain the property of RRL.

9.2 All taxes of any nature (other than income-tax), duties, cess or any other like payments or deductions made by RRL relatable to the Demerged Undertaking to any statutory authorities such as Value Added Tax, Goods and Services Tax etc., any tax credits relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been on account of and on behalf of RML and the relevant authorities shall be bound to transfer to the account of and give credit for the same to RML upon the passing of the order on this Scheme by the Hon'ble Tribunal upon relevant proof and documents being provided to the said authorities.

9.3 RRL and RML are expressly permitted to revise their tax returns under section 170A of the Income Tax Act, 1961 including tax deducted at source ('TDS') certificates/returns and to claim refund, credits, excise and service tax credits, set off etc. on the basis of the accounts of the Demerged Undertaking as vested with RML upon coming into effect of this Scheme.



10 CONSIDERATION

- 10.1 As the Resulting LLP holds 99% interest in the Demerged LLP and as on the Appointed Date, both the transferor and the transferee LLP are directly or indirectly held by the three individual partners in the same proportion, upon the coming into effect of this Scheme and in consideration of the demerger by way of transfer and vesting of the Demerged Undertaking of RRL into RML, neither RRL nor the partners of RRL will be entitled to or will get any consideration in any form or manner

11 ACCOUNTING TREATMENT

Pursuant to the Scheme coming into effect with effect from the Appointed Date, RRL and RML shall account for the demerger in their respective books of accounts in accordance with the Applicable Accounting Standards in the following manner:

Treatment in the books of Demerged LLP (RRL)

- 11.1 The book values of assets and liabilities pertaining to the Demerged Undertaking of RRL being transferred to RML shall be reduced from book values appearing in the books of account of RRL as on the Appointed Date.
- 11.2 The difference between the book value of assets and book value of liabilities of the Demerged Undertaking transferred to RML, shall if positive, be adjusted against balance in Retained Earnings of RRL and if negative, shall be added to the Retained Earnings of RRL.
- 11.3 Inter LLP balances relating to Demerged Undertaking, if any, shall stand cancelled.

Treatment in the books of Resulting LLP (RML)

- 11.4 Upon the coming into effect of this Scheme, RML shall record the assets and liabilities of the Demerged Undertaking transferred to and vested into RML pursuant to this Scheme, at values appearing in the books of account of RRL as on the Appointed Date.
- 11.5 The difference, if any, between the assets and liabilities of the Demerged Undertaking, transferred to and recorded by RML as per clause 11.4 above, shall, if positive, credited in the Retained Earnings of RML and if negative, be debited to the Retained Earnings of RML.
- 11.6 Inter LLP balances relating to Demerged Undertaking, if any, shall stand cancelled.

Provided that if the Applicable Accounting Standards as prescribed under section 34A of the Act by the Central Government in consultation with the National Financial Reporting Authority, which are recommended by the Institute of Chartered Accountants of India provide a different treatment in the books of the Demerged LLP or Resulting LLP, that accounting treatment shall be followed.



PART - III
GENERAL TERMS AND CONDITIONS

12 APPLICATIONS TO TRIBUNAL

The LLPs shall, with all reasonable dispatch, make necessary application(s) / petition(s) under Sections 60 to 62 and other applicable provisions of the Act to the Tribunal for seeking sanction of this Scheme.

13 MODIFICATIONS, AMENDMENTS OR WITHDRAWAL OF THE SCHEME

13.1 Subject to approval of Tribunal, the LLPs by their respective Partners or any Authorized Person authorized in this behalf (hereinafter referred as to the "Delegates") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the Tribunal or any authorities under law may deem fit to approve of or may impose and which the Partners of the LLPs may in their discretion accept, or such modification(s) or addition(s) as the Partners of the LLPs or as the case may be, their respective Delegates may deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The LLPs by their respective Partners or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the Tribunal or any authorities, which the Partners of the LLPs find unacceptable for any reason, then the LLPs shall be at liberty to withdraw the Scheme.

13.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Partners or Delegates of the LLPs may give and are authorised to determine and give all such directions as are not inconsistent with the Scheme and are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, 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. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Partners of the LLPs to be obtained for any matter, the same may be given through the Delegates.



- 13.3 At any stage after the filing of application or petition with Tribunal and/or during the pendency of any proceedings thereof, if the Partners of any of the Demerged LLP or Resulting LLP so desires, in the interest of the respective LLP, then the Scheme can be withdrawn by the Partners and any steps as may be required to be undertaken to give effect to such withdrawal, may be undertaken by any person authorized by the Partners of the respective Applicant LLPs.

14 SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

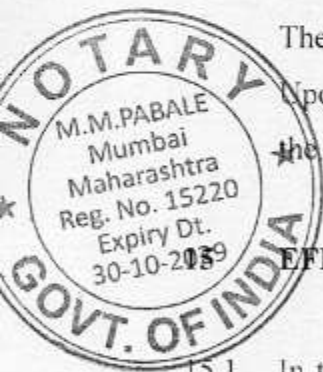
The Scheme, although to come into effect from the Appointed Date, shall become operative on the last of following dates, namely:

- 14.1 The date of obtaining the last of the requisite consents, approvals or permissions of any statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- 14.2 The date of the Scheme being sanctioned by the Tribunal or any other competent authority under Sections 60 to 62 and other applicable provisions of the Act.
- 14.3 The latter of the dates on which the Authenticated/ Certified copies of the order of the Hon'ble Tribunal or such other competent authority, as may be applicable, sanctioning this Scheme is filed with the Registrar of Firms, Mumbai

The last day of such dates shall be the "Effective Date" for the purpose of this Scheme. Upon this Scheme becoming effective, the Scheme shall be deemed to be effective from the Appointed Date.

EFFECT OF NON-RECEIPT OF APPROVALS

- 15.1 In the event that the Scheme is not sanctioned by the NCLT or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void. The Demerged LLP and the Resulting LLP shall bear the cost, charges and expenses in connection with the Scheme in equal proportions unless otherwise mutually agreed.
- 15.2 The non – receipt of any sanctions or approvals for a particular asset or liability forming part of the Demerged LLP getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme, if the Partners of the Demerged LLP and/or Resulting LLP so decide. In the event of non – receipt of approval of any lender/ creditor for the transfer of any liability of the Demerged LLP, then at the option of the



Partners of the Demerged LLP, it may discharge such liability by issuing a security / recognizing a liability in favour of Resulting LLP on the same terms.

- 15.3 In particular and without prejudice to the generality of the foregoing, the Demerged LLP and the Resulting LLP will reverse any steps taken by them pursuant to Clause 3 of this Scheme.

16 SEVERABILITY

If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Demerged LLP and Resulting LLP that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to Demerged LLP and/or Resulting LLP, in which case the Demerged LLP and Resulting LLP shall attempt to bring about a modification in the Scheme, as will best preserve for the Demerged LLP and Resulting LLP the benefits and obligations of the Scheme, including but not limited to such Part.

17 COSTS, CHARGES AND EXPENSES

All costs, charges, levies and expenses, duties, etc. in relation to or in connection with or incidental to this Scheme shall be equally shared by RRL and RML.



Annexure A – List of Licenses relating to Demerged Business

- IDCO Land Lease Agreement
- Factory Layout
- Factory License
- Electricity Agreement with TPWODL, Vedanta
- Hazardous Waste Authorisation
- Hazardous Waste Interstate NOC
- Consent to Establish
- Consent to Operate
- Molasses License
- Fire NOC
- CGWA NOC
- CLRA
- ISMW
- EPFO
- Apprentice Registration
- GST – Odisha
- GST – Chhatisgarh
- IEC

