

Brief particulars of the transferee/resulting and transferor companies

Particulars	Transferee/ Resulting Company/GML	Transferor Company No. 1/GIL	Transferor Company No. 2/AAR	Transferor Company No. 3/HIPLINE	Transferor Company No. 4/LEXI	Transferor Company No. 5/RICHIE
Name of the Company	Gallantt Metal Limited	Gallantt Ispat Limited	AAR Commercial Company Limited	Hipoline Commerce Private Limited	Lexi Exports Private Limited	Richie Credit & Finance Private Limited
Date of Incorporation & details of name changes, if any	07/02/2005	11/02/2005	28/06/1982	18/12/1995	24/05/1993	07/11/1985
Registered Office	"GALLANTT HOUSE', I - 7, Jangpura Extension, New Delhi - 110014.	"GALLANTT HOUSE', I - 7, Jangpura Extension, New Delhi - 110014.	"GALLANTT HOUSE', I - 7, Jangpura Extension, New Delhi - 110014	1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata - 700069	207, Maharshi Devendra Road, 1st Floor, Room No. 27, Kolkata -700007	207, Maharshi Devendra Road, 1st Floor, Room No. 27, Kolkata -700007

Brief particulars of the scheme

1. Slump Sale of Power Plant Undertaking of Transferor Company No. 1 (Gallantt Ispat Limited) to the Transferee Company (Gallantt Metal Limited):

1.1 Upon the Scheme becoming effective and with effect from Appointed Date of Slump Sale, the Power Plant Undertaking of the Transferor Company No. 1 shall pursuant to section 230 and other applicable provisions of the Act and without any further act or deed be transferred to and be vested or deemed to be vested in the Transferee Company as a going concern, pursuant to a slump sale and for this purpose the approval of the Scheme shall be deemed to be the approval of the shareholders and creditors of Transferor Company No. 1.

1.2 The Transferee Company for acquisition of the Power Plant Undertaking would be liable to pay cash consideration of Rs. 35 crores.

1.3 The rights, obligation, terms, conditions etc. prescribed in Part III of the Scheme in the context of amalgamation would mutatis mutandis apply to the transfer by way of slump sale of Power Plant Undertaking by the Transferor Company No. 1 to the Transferee Company.

2. Issue of Shares by the Transferee Company:

2.1 On the Effective Date, Inter-corporate shareholding as described hereinabove held by the Transferor Companies in the Transferee Company and vice versa shall stand cancelled without any further act or deed.

2.2 Upon the Scheme becoming effective in lieu of the amalgamation no consideration will be due to the Transferor Companies and in



consideration of the amalgamation of the Transferor Companies with the Transferee Company pursuant to the Scheme including the consequential extinguishment of the shareholding in Transferor Companies, the Transferee Company shall without further application, issue and allot as given below equity shares in the Transferee Company to the equity shareholders of the Transferor Companies whose names appear in the Register of Members of the Transferor Companies on the Record Date:

- 13 (Thirteen) equity shares of the nominal value of Rs. 10/- fully paid up in the Transferee Company for every 14 (Fourteen) equity shares of Re. 1/- each fully paid up held by such member in the Transferor Company No. 1.
- 5 (Five) equity shares of the nominal value of Rs. 10/- fully paid up in the Transferee Company for every 1 (One) equity share of Rs. 10/- each fully paid up held by such member in the Transferor Company No. 2.
- 9 (Nine) equity shares of the nominal value of Rs. 10/- fully paid up in the Transferee Company for every 2 (Two) equity shares of Rs. 10/- each fully paid up held by such member in the Transferor Company No. 3.
- 84 (Eighty-Four) equity shares of the nominal value of Rs. 10/- fully paid up in the Transferee Company for every 1 (One) equity share of Rs. 10/- each fully paid up held by such member in the Transferor Company No. 4.
- 101 (One Hundred One) equity shares of the nominal value of Rs. 10/- fully paid up in the Transferee Company for every 2 (Two) equity shares of Rs. 10/- each fully paid up held by such member in the Transferor Company No. 5.

3. Dissolution of the Transferor Companies

On the Effective Date, the Transferor Companies shall stand dissolved without winding up and without any further actor deed under Section 232 of the Act.

4. Effective Date:

The Merger shall become effective and transfers shall be deemed to be effective from the Appointed Date of Merger but shall be operative from the Effective Date. Effective Date would be the date on which the certified copies of the order of the NCLT sanctioning this Scheme is filed by the respective Transferor and the Transferee Companies with the Registrar of Companies.

Rationale for the scheme

1. The Transferee Company is a pioneer in the Steel and Power sector and is able to attract the best talents available in the industry. The Transferee Company is having its footprints spanning across Gujarat, Maharashtra and Rajasthan. In the same way, The Transferor Company 1 is a pioneer in the Steel, Power and Agro sector and has its presence in and is having its footprints spanning across Uttar Pradesh, Bihar, Jharkhand and Delhi NCR.



2. The Transferor Company No. 1 and Transferee Company are under same Promoter Group. Thus, the amalgamation of the two companies operating in similar sectors with strengths in different geographies will ensure focused management in a single combined entity thereby resulting in efficiency of management and maximising overall shareholder value.

3. The Transferor Company No. 2 has plan to enter new business and to develop and complete real estate project. It is exploring further opportunities in the real estate sector and has in the meantime deployed its funds in investment in securities of the Transferor Company No. 1. The Transferor Company No. 1 is also inter alia engaged in the business of real estate. The Transferor Company 2 holds significant portion (17.62%) of the equity share capital of the Transferor Company No. 1. The amalgamation into the Transferee Company of the Transferor Company No. 1 and the Transferor Company No. 2 will lead to consolidation of the real estate business.

4. Transferor Company No. 3 is forming part of the Promoter and Promoter Group of Transferee Company. Amalgamation of Transferor Company No. 3 with the Transferee Company would result in clarifying and making transparent the shareholding of the Transferee Company. Other Transferor Companies No. 4 and 5 are also holding shareholding of Transferee Company. The proposed amalgamation of Transferor Companies No. 4 and 5 will also bring in advantages of clarifying and making transparent shareholding of the Transferee Company.

5. The amalgamation will bring in advantages of synergy in operations and economies of scale. The pooling of resources of companies will create strong financial structure and facilitate resource mobilisation and achieve better cash flows. The combined net worth in a single entity shall facilitate in attracting funds from strategic investors and/or financial institutions at competitive rates. Thus, the synergies created by the merger will increase the operational efficiency and integrate business functions of the amalgamated entity and help to pursue inorganic and organic growth opportunities of such business. It will also lead to more efficient utilisation of capital and create a consolidated base for future growth of the amalgamated entity.

6. The amalgamation particularly of the Transferor Company No. 1 and the Transferee Company will also result in administrative and operational rationalisation, organisational efficiencies, reduction in overheads and other expenses and optimal utilisation of various resources. It will prevent cost duplication, overlapping of administrative responsibilities and multiplicity of records, legal and regulatory compliances generally involved with running two separate entities and more particularly due to the listed status of both the companies involved. It will enable a dedicated management to focus and accelerate growth of the amalgamated entity.

7. The amalgamation will result in not only, pooling of efficient human resources and putting them to optimum utilisation for the growth of the merged entity but also attracting efficient manpower by the merged entity.

8. The amalgamation will enable greater realization of the potential of the businesses of the Transferor and Transferee Companies in the amalgamated entity and have beneficial results for all concerned.

9. The assets of the amalgamated entity will far exceed its liabilities and rights of the creditors of the Transferor Companies and the Transferee Company shall not in any way be prejudiced.

