

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

DECCAN GOLD MINES LIMITED

(“COMPANY 1” OR “DGML”)

AND

AUSTRALIAN INDIAN RESOURCES LIMITED

(“COMPANY 2” OR “AIR”)

AND

THEIR RESPECTIVE SHAREHOLDERS

AND

**(“PROPOSED SHAREHOLDERS OF DGML AS ENLISTED IN SCHEDULE I TO
THIS SCHEME”)**

UNDER SECTIONS 230 TO 232 AND 234 OF THE COMPANIES ACT, 2013

AND UNDER CORPORATION ACT, 2001 AND OTHER APPLICABLE LAWS IN
AUSTRALIA



PREAMBLE

This Composite Scheme of Arrangement (“**the Scheme**”) is presented between (I) Deccan Gold Mines Limited (“**Company 1**” or “**DGML**”) and Australian Indian Resources Limited (“**Company 2**” or “**AIR**”) and their respective shareholders, for re-arrangement of shareholding of Company 2 pursuant to the provisions contained in Sections 230 to 232, and Section 234 of the Companies Act, 2013, Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013 for Company 1 and provisions of the Corporation Act, 2001 and other Applicable Laws of Australia as may be applicable to Company 2; and (II) Deccan Gold Mines Limited (“**Company 1**” or “**DGML**”) and the “**Proposed Shareholders of DGML**” or “**Proposed Shareholders**”, pursuant to Sections 230 to 232, Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013, with effect from the Appointed Date (hereinafter defined). In addition, the Scheme also provides for various other matters consequential and/or otherwise integrally connected herewith.

A. BACKGROUND

1. “Company 1” or “DGML” was incorporated on 29th November 1984 under the Companies Act, 1956 and presently registered with the Registrar of Companies, Mumbai. The Corporate Identification Number of DGML is L51900MH1984PLC034662. The Registered Office of DGML is situated at Parinee Crescenzo, C38-C39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India. The Equity Shares of DGML are listed on BSE Limited, a recognized stock exchange in India (“Stock Exchange”).
2. “Company 2” or “AIR” is a public, unlisted Australian company, incorporated on 16th March 1994 under the laws of Australia. The Australian Company Number of AIR is ACN063881970. The Registered Office of AIR is situated at Victor Harbor, South Australia and Principal place of business at Perth, Western Australia (WA). AIR was incorporated to participate in the development of India’s mineral potential as the Indian laws permit mineral exploration sector for foreign investments.
3. This Scheme is divided into three Sections. Under Section I, Company 1 proposes to acquire the entire shareholding of Company 2 held by Specified Shareholders in Company 2 as defined under ‘Clause 1.17’ of Part A of Section I, and consequently Company 2 becomes the wholly owned subsidiary of Company 1. Under Section II, Company 1 proposes to allot equity shares to the “Proposed Shareholders” as defined under ‘Clause 8.14’ of Part A of Section II. Section III provides for the general terms and conditions that would be applicable to the Scheme;



4. This Scheme proposes a share-exchange arrangement for the Specified Shareholders of Company 2 and the Proposed Shareholders for transferring (i) Specified Shares - AIR, as defined under 'Clause 1.18' of Part A of Section I, to Company 1 by the Specified Shareholders - AIR in consideration of issue and allotment of "New DGML Equity Shares 1" and (ii) Specified Shares - GMSI, as defined under 'Clause 8.18' of Part A of Section II to Company 1 by the Proposed Shareholders in consideration of issue and allotment of "New DGML Equity Shares 2".



B. RATIONALE FOR THE SCHEME

Company 1 is engaged in the business of mineral exploration focused on making discoveries of gold deposits that are suitable for commercial exploitation. The Board of Directors of Company 1 have been looking out for opportunities for acquisition of gold assets in India and in this regard have evaluated and decided to acquire ownership and control of 735,161 equity shares, directly and indirectly, in Geomysore Services (India) Private Limited ("GMSI") which is also a gold exploration and mining focused company. The advantages of acquiring 735,161 equity shares in GMSI are:

- Significant equity participation in a gold project with potential to get into revenue stream within the next 2 years benefitting DGML shareholders.
- Potential to add further gold projects into DGML's portfolio and enhance DGML's fund raising abilities.
- Consolidation of the strengths of both the Companies (in terms of Projects and Personnel) and access to strategic partners and fund raising in India and abroad
- Since, there is no outflow of funds, the interest of the creditors of Company 1 and Company 2 is not affected and they are not prejudiced or impacted in any manner.
- There is no adverse effect of Scheme on the directors, key managerial personnel, promoters, non-promoter shareholders, vendors and employees of Company 1 and Company 2.
- The Scheme would be in the best interest of all the stakeholders.



C. PARTS OF THE SCHEME

This Scheme (as defined herein after) shall be divided into the following sections:

(1) SECTION I

ACQUISITION OF SHARES OF SPECIFIED SHAREHOLDERS OF COMPANY 2 BY COMPANY 1

PART A deals with Definitions and Share Capital of the Company 1 and Company 2;

PART B deals with the arrangement proposed under the Scheme and payment of consideration, re-organisation of share capital, accounting treatment in the books of Company 1 and Company 2; and

(2) SECTION II

ALLOTMENT OF EQUITY SHARES TO THE PROPOSED SHAREHOLDERS IN COMPANY 1

PART A deals with Definitions relating to the arrangement between DGML and Proposed Shareholders;

PART B deals with the arrangement proposed under the Scheme and payment of consideration, re-organisation of share capital, accounting treatment in the books of Company 1; and

(3) SECTION III

General Terms and Conditions that would be applicable to the Scheme.

(4) SCHEDULE I



SECTION I

ACQUISITION OF SHARES OF SPECIFIED SHAREHOLDERS OF COMPANY 2 BY COMPANY 1

PART A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning attributed to them as below;

1.1 “Act” means the Companies Act, 2013 and the rules made thereunder for the time being in force and shall include any statutory modifications or re-enactment or amendments thereof;

1.2 “Appointed Date means the Effective Date;

1.3 “Applicable Law” or “Law” means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations,

policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

- 1.4 “Board of Directors” or “Board”** shall mean the Board of Directors of Company 1 and Company 2, as the case may be, and shall unless repugnant to the context or otherwise, include a committee of directors;
- 1.5 “Company 1” or “DGML”** means Deccan Gold Mines Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Parinee Crescenzo, C38-C39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India;
- 1.6 “Company 2” or “AIR”** means Australian Indian Resources Limited, a company incorporated under the Applicable Laws of Australia, having its registered office situated at Victor Harbor, South Australia.
- 1.7 “Companies”** means collectively “Company 1” or “DGML” and “Company 2” or “AIR”;
- 1.8 “Effective Date”** means the later of the dates on which the certified copy of the Order(s) of the NCLT sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, by Company 1 and any Governmental Authority of Australia by Company 2, if required. Any reference to "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date". If applicable, at Australia, and is the date with effect from which the Scheme of Arrangement shall upon receipt of requisite approvals, be deemed to be operative;
- 1.9 “Equity Shares”** means fully paid-up equity share (s) of face value of INR 1 each of Company 1 listed on BSE Ltd.
- 1.10 “Governmental Authority”** means any applicable Central, State or local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, courts and other government and regulatory authorities of Australia and India as may be applicable.
- 1.11 “NCLT” or “NCLT Mumbai”** means the National Company Law Tribunal having its bench at Mumbai.



1.12 “New DGML Equity Shares 1” means the fully paid-up equity share (s) of INR 1 each of the Company 1, proposed to be allotted to the Specified Shareholders - AIR pursuant to the Section I of this Scheme of Arrangement;

1.13 “Parties” means collectively the “Company 1” or “DGML” and “Company 2” or “AIR” and “Party” shall mean each of them, individually;

1.14 “Record Date” means the date to be fixed by the Board of Company 1, for the purpose determining the Specified Shareholders of Company 2 for effecting the share-exchange arrangement.

1.15 “Scheme of Arrangement” or “this Scheme” or “the Scheme” shall mean this Scheme of Arrangement in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the NCLT and Governmental Authority, as may be required under the Act, and/or any other Applicable Law.

1.16 “Share Exchange Ratio 1” shall have the meaning ascribed to it in Clause 6;

1.17 “Specified Shareholders - AIR” means the shareholders of Company 2, as on the Record Date;

1.18 “Specified Shares - AIR” means the shares held by Specified Shareholders - AIR in Company 2 as on the Record Date;

1.19 “Stock Exchange” means BSE Ltd., a recognized stock exchange in India.

2. INTERPRETATIONS

1.1 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other Applicable Laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

1.2 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 The Authorised, Issued, Subscribed and Paid-Up share capital of the Company 1 as on August 31, 2021 is as under:



Particulars	Amounts (Rs.)
Authorised Share Capital	
250,000,000 Equity Shares of Re. 1 each	250,000,000
Total	250,000,000
Issued, Subscribed and Paid-Up Share Capital	
93,327,375 Equity Shares of Re. 1 each	93,327,375
Total	93,327,375

*Company 1 has approved to raise funds of up to Rs. 50 crores (in or more tranches) in the Board Meeting held on May 10, 2021. Accordingly, the share capital of Company 1 may undergo a change.

As on the date of filing of this Scheme, there is no pendency of any investigation or proceedings against Company 1.

3.2 The Authorised, Issued and Paid-Up share capital of Company 2 as on August 31, 2021 is as under:

Particulars	Amount (AUD\$)
Authorised Share Capital	
250,000,000 Shares	NA
Issued and Paid-Up Share Capital	
222,966,249 Shares	9,772,092.57



* Company 2 is in the process of allotment of 10,732,835 shares, post which its issued and paid up share capital of the Company 2 will be 233,699,084 shares

As on the date of filing of this Scheme, there is no pendency of any investigation or proceedings against Company 2.

4. MAIN OBJECTS

4.1 The main objects of Company 1 (as mentioned under main objects clause of its Memorandum of Association) are as follows:

4.1.1 To carry on the business of dealers, importers, exporters, commission agents or otherwise of cotton, jute, cotton goods, jute goods, textiles, yarn, synthetic goods, fibrous materials, mill stores, coal, chemicals, paper, engineering goods and cast materials, mill stores, coal, chemicals, paper, engineering goods and cast iron items and to deal in agricultural implements and other machinery.

4.1.2 To purchase, take on lease or otherwise acquire freehold and other lands, properties, mines and minerals properties, and exploration rights, concessions, leases, claims, licenses of or other interest in mines, mining and offshore rights, minerals properties and water rights either solely or jointly with others and to prospect, explore, develop and work claims or mines, drill and sink shafts or wells and raise, pump, dig and quarry for gold, silver, minerals, ores, diamonds and precious stones, oil, petroleum, natural gas, coal, earth and other natural substances, organic or inorganic, and the alloys, products or by-products thereof.

4.1.3 To carry on the business as land and mine owners, miners, metallurgists, metal workers and to acquire by purchase, concession or lease, to take in exchange or otherwise, or to erect, construct and alter, buildings, roads, shafts, furnaces, crushing and other machinery, works for smelting or otherwise treating, removing and storing metals and minerals, and for crushing, working, manufacturing, purifying, cutting, polishing or otherwise processing precious metals and precious stones, minerals, ores, earth and other substances.

4.2 The main objects of Company 2 (as mentioned in the objects clause of its Memorandum of Association) are as follows:

4.2.1 Prospecting for ores, metals or minerals;

4.2.2 Obtaining, by any mode or method, ores, metals or minerals;

4.2.3 The sale or other disposal of ores, metals, minerals or other products of mining;

4.2.4 The carrying on of any business or activity necessary for, or incidental to, any of the foregoing purposes;

whether in Australia or elsewhere, but does not include quarrying operations for the sole purpose of obtaining stone for building, roadmaking or similar purposes.



PART B
ARRANGEMENT

5. ARRANGEMENT

- 5.1 Upon the coming into effect of the Scheme and with effect from the Effective Date and subject to this Scheme, the Specified Shares held by the Specified Shareholders in Company 2 shall be acquired by Company 1, without any act or deed, on part of the Specified Shareholders. Necessary corporate action will be executed by Company 2 to give effect to the aforesaid transfer.
- 5.2 To the extent of the Specified Shares being held in physical form as on the Record Date, each of the share certificates representing the physical Specified Shares shall, without any further act or deed, stand cancelled in the register of members and Company 2 shall issue a consolidated share certificate representing the physical Specified Shares held in physical form, in favour of Company 1 and its appointed nominees.
- 5.3 Notwithstanding the above, Company 2 shall continue in its existing name.
- 5.4 The register of members of the Companies shall stand altered and rectified to give full effect to the actions set out in this Section I.

6. CONSIDERATION FOR THE ARRANGEMENT :

- 6.1 Upon coming into effect of the Scheme and in consideration for transferring the Specified Shares held by Specified Shareholders in Company 2 to Company 1, Company 1 shall, without any further application, act, instrument or deed, issue and allot New DGML Equity Shares 1 credited as fully paid, to the extent indicated below, to each shareholder of Company 2 whose name is recorded in the register of members and records of the depository as members of Company 2 on the Record Date in the following manner:

“17 (Seventeen) fully paid-up equity shares of the face value of Re. 1/- (Rupee One only) each in Company 1 for every 88 (Eighty-Eight) fully paid-up shares held in Company 2.”

(The ratio referred to above in which the equity shares of Company 1 are to be allotted to the shareholders of the Company 2 by Company 1 is hereinafter referred to as the “**Share Exchange Ratio 1**”).

- 6.2 The Share Exchange Ratio 1 has been determined by Mr. Abhinav Agarwal, (IBBI Registration No. IBBI/RV/06/2019/12564), “Registered Valuer”, vide their report, dated September 24, 2021 and Sundae Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker (SEBI Registration No. INM000012494) vide their opinion



dated September 24, 2021, opined that the Share Exchange Ratio 1, is fair to the shareholders of the Companies.

- 6.3 The New DGML Equity Shares to be issued and allotted by Company 1 shall be subject to the Memorandum and Articles of Association of Company 1 and shall rank pari passu in all respects from the date of allotment in terms of this Scheme, with the existing Equity Shares of Company 1, with all rights thereto, and shall be entitled to full dividend, if any, which may be declared by Company 1 after the Effective Date of the Scheme.
- 6.4 In case any Specified Shareholder - AIR becomes entitled to a fraction of New DGML Equity Share, then the Board of Company 1 shall round off to the nearest integer.
- 6.5 Where the New DGML Equity Shares 1 are to be allotted, pursuant to Clause 6.1 above, to heirs, executors or administrators or, as the case may be, to successors of deceased Specified Shareholders - AIR, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title, satisfactory to the Board of Directors of Company 1.
- 6.6 The New DGML Equity Shares 1 to be issued by Company 1 pursuant to Clause 6.1 above shall be issued in dematerialized form, unless otherwise notified in writing by any Specified Shareholder - AIR of Company 2 on or before such date as may be determined by the Board of Directors of Company 1 or a Committee thereof. In the event that such notice has not been received by Company 1 in respect of any of the Specified Shareholders - AIR of Company 2 as of the Record Date, the New DGML Equity Shares 1 shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any Specified Shareholder - AIR has notified Company 1 as contemplated above that they desire to be issued shares in the physical form or if the details furnished by any member do not permit electronic credit of the shares of the Company 1, then the Company 1 shall issue New DGML Equity Shares 1 in physical form (to the extent of their entitlement) to such Specified Shareholders - AIR. In the event of there being any pending share transfer, lodged or outstanding, prior to the Record Date, of any shareholder of Company 2, the Board of Directors of Company 2 shall be empowered, as the case may be to effectuate such a transfer in Company 2 so that such changes in the registered holders are operative on the Record Date. The Board of Directors of Company 1 shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Company 1 in the transition period.
- 6.7 The issue and allotment of New DGML Equity Shares 1 to the Specified Shareholders - AIR as provided in this Scheme, is an integral part thereof and shall be deemed to be made in compliance with the procedure laid down under Section 62 and other applicable provisions of the Act and no separate approvals / procedures etc. required to be carried out



under the Act. The approval of the members for the Scheme shall be deemed to be approval under Section 62 and other applicable provisions, if any, of the Act.

6.8 The New DGML Equity Shares 1 allotted pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchange.

6.9 There shall be no change in the shareholding pattern of the Company 2 between the Record Date and the listing date, which may affect the status of approval of the Stock Exchange to the Scheme.

7. ACCOUNTING TREATMENT

7.1. In the books of Company 1

On effectiveness of the Scheme and with effect from the Effective Date, Company 1 will comply with all the applicable accounting standards and generally accepted accounted principles, as may be amended from time to time, in relation to investment in Company 2 and allotment of New DGML Equity Shares 1 to the Specified Shareholders - AIR in Company 1.

7.2. In the books of Company 2

No accounting entry will be required to be made in the books of the Company 2.



SECTION II

ALLOTMENT OF EQUITY SHARES TO THE PROPOSED SHAREHOLDERS IN COMPANY 1

PART A

DEFINITIONS AND SHARE CAPITAL

8. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning attributed to them as below;

- 8.1 “Act”** means the Companies Act, 2013 and the rules made thereunder for the time being in force and shall include any statutory modifications or re-enactment or amendments thereof;
- 8.2 “Appointed Date** means the Effective Date;
- 8.3 “Applicable Law” or “Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;
- 8.4 “Board of Directors” or “Board”** shall mean the Board of Directors of Company 1, as the case may be, and shall unless repugnant to the context or otherwise, include a committee of directors;
- 8.5 “Company 1” or “DGML”** means Deccan Gold Mines Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Parinee Crescenzo, C38-C39, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India;
- 8.6 “Equity Shares”** means fully paid-up equity share(s) of face value of INR 1 each of Company 1 listed on BSE Ltd.;
- 8.7 “Effective Date”** means the later of the dates on which the certified copy of the Order(s) of NCLT Mumbai and sanctioning the Scheme are filed with the Registrar of Companies, Mumbai, by Company 1. Any reference to "On the Scheme becoming



effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date";

- 8.8 “Governmental Authority”** means any applicable Central, State or local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, courts and other government and regulatory authorities of India and any other country, as may be applicable.;
- 8.9 “GMSI”** means Geomysore Services (India) Pvt Ltd, a private limited company incorporated on 04th August, 1994 under the Companies Act, 1956 having its registered office situated at 627, 3rd Cross, 3rd Block, Koramangala, Bangalore Karnataka – 560034, India, presently registered with the Registrar of Companies, Bangalore. The Corporate Identification Number of GMSI is U74899KA1994PTC044275;
- 8.10 “GMSI Equity Shares”** means fully paid-up equity share (s) of INR 1 each of GMSI;
- 8.11 “NCLT”** means the National Company Law Tribunal having its bench at Mumbai.;
- 8.12 “New DGML Equity Shares 2”** means the equity share (s) of INR 1 each of Company 1, to be allotted to the Proposed Shareholders of Company 1 pursuant to the Scheme of Arrangement;
- 8.13 “Parties”** means collectively the “Company 1” or “DGML” and “Proposed Shareholders” and “Party” shall mean each of them, individually;
- 8.14 “Proposed Shareholders”** means the shareholders of GMSI, as on the Record Date holding GMSI Equity Shares with distinctive numbers, as stated under Schedule including any transfers effected between the date of filing of this Scheme and between the Record Date to whom **New DGML Equity Shares 2** shall be allotted;
- 8.15 “Record Date”** means the date to be fixed by the Board of Company 1, for the purpose of determining the Proposed Shareholders for effecting the share-exchange arrangement.;
- 8.16 “Scheme of Arrangement” or “this Scheme” or “the Scheme”** shall mean this Scheme of Arrangement in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the NCLT Mumbai and any Governmental Authority, as may be required under the Act, and/or any other Applicable Law.;
- 8.17 “Share Exchange Ratio 2”** shall have the meaning ascribed to it in Clause 13;



8.18 “Specified Shares - GMSI” means 404,309 GMSI Equity Shares held by Proposed Shareholders in GMSI as on the Record Date;

8.19 “Stock Exchange” means BSE Ltd., a recognized stock exchange in India.

9. INTERPRETATIONS

9.1 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other Applicable Laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

9.2 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, shall be operative from the Effective Date.

10. SHARE CAPITAL

10.1 The Authorised, Issued, Subscribed and Paid-Up share capital of the Company 1 as on August 31, 2021 is as under:

Particulars	Amounts (Rs.)
Authorised Share Capital	
250,000,000 Equity Shares of Re. 1 each	250,000,000.00
Total	250,000,000.00
Issued, Subscribed and Paid-Up Share Capital	
93,327,375 Equity Shares of Re. 1 each	93,327,375.00
Total	93,327,375.00



Since August 31, 2021 and as on the date of filing of this Scheme, there has been no change in the capital structure of Company 1.

As on the date of filing of this Scheme, there is no pendency of any investigation or proceedings against Company 1.

11. MAIN OBJECTS

11.1 The main objects of Company 1 (as mentioned under main objects clause of its Memorandum of Association) are as follows:

1. To carry on the business of dealers, importers, exporters, commission agents or otherwise of cotton, jute, cotton goods, jute goods, textiles, yarn, synthetic goods, fibrous materials, mill stores, coal, chemicals, paper, engineering goods and cast materials, mill stores, coal, chemicals, paper, engineering goods and cast iron items and to deal in agricultural implements and other machinery.

2. To purchase, take on lease or otherwise acquire freehold and other lands, properties, mines and minerals properties, and exploration rights, concessions, leases, claims, licenses of or other interest in mines, minning and offshore rights, minerals properties and water rights either solely or jointly with others and to prospect, explore, develop and work claims or mines, drill and sink shafts or wel and raise, pump, dig and quarry for gold, silver, minerals, ores, diamonds an precious stones, oil, petroleum, natural gas, coal, earth and other natur substances, organic or inorganic, and the alloys, products or by-products thereof.

3. To carry on the business as land and mine owners, miners, metallurgists, metal workers and to acquire by purchase, concession or lease, to take in exchange or otherwise, or to erect, construct and alter, buildings, roads, shafts, furnaces, crushing and other machinery, works for smelting or otherwise treating, removing and storing metals and minerals, and for crushing, working, manufacturing, purifying, cutting, polishing or otherwise processing precious metals and precious stones, minerals, ores, earth and other substances.



PART B

ARRANGEMENT

12. ARRANGEMENT

12.1 Upon the coming into effect of the Scheme and with effect from the Effective Date and subject to this Scheme, the Specified Shares held by the Proposed Shareholders in GMSI shall be acquired by Company 1, without any act or deed, on part of the Proposed Shareholders.

To the extent of the Specified Shares being held in physical form as on the Record Date, each of the share certificates representing the physical Specified Shares shall, without any further act or deed, stand cancelled in the register of members and GMSI shall issue a consolidated share certificate representing the physical Specified Shares held in physical form, in favour of Company 1.

The register of members of the Company 1 and GMSI shall stand altered and rectified to give full effect to the actions set out in this Section II.

13. CONSIDERATION FOR THE ARRANGEMENT :

13.1 Upon coming into effect of the Scheme and in consideration for transferring the Specified Shares held by Proposed Shareholders to Company 1, Company 1 shall, without any further application, act, instrument or deed, issue and allot New DGML Equity Shares 2 credited as fully paid, to the extent indicated below, to each Proposed Shareholder as given under Schedule I of this Scheme and recorded in the register of members and records of the depository as members of GMSI on the Record Date in the following manner:

“1,650 (One Thousand Six Hundred Fifty) fully paid-up equity share of the face value of Re. 1/- (Rupee One only) each in Company 1 for every 13 (Thirteen) fully paid-up equity shares of the face value of Re. 1/- (Rupee One only) each held in GMSI by the Proposed Shareholders.”



(The ratio referred to above in which the equity shares of Company 1 are to be allotted to the Proposed Shareholders by Company 1 is hereinafter referred to as the “**Share Exchange Ratio 2**”).

13.2 The Share Exchange Ratio 2 has been determined by Mr. Abhinav Agarwal, (IBBI Registration No. IBBI/RV/06/2019/12564), “Registered Valuer”, vide their report, dated September 24, 2021 and Sundae Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker (SEBI Registration No. INM000012494) vide

their opinion dated September 24, 2021, opined that the Share Exchange Ratio 2, is fair to the shareholders of the Company 1 and Proposed Shareholders.

- 13.3 The New DGML Equity Shares 2 to be issued and allotted by Company 1 shall be subject to the Memorandum and Articles of Association of Company 1 and shall rank pari passu in all respects from the date of allotment in terms of this Scheme, with the existing Equity Shares of Company 1, with all rights thereto, and shall be entitled to full dividend, if any, which may be declared by Company 1 after the Effective Date of the Scheme.
- 13.4 In case any Proposed Shareholder becomes entitled to a fraction of New DGML Equity Share 2, then the Board of Company 1 shall round off to the nearest integer.
- 13.5 Where the New DGML Equity Shares 2 are to be allotted, pursuant to Clause 13.1 above, to heirs, executors or administrators or, as the case may be, to successors of deceased Proposed Shareholders, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title, satisfactory to the Board of Directors of the Company 1.
- 13.6 The New DGML Equity Shares 2 to be issued by Company 1 pursuant to Clause 13.1 above shall be issued in dematerialized form, unless otherwise notified in writing by any Proposed Shareholder on or before such date as may be determined by the Board of Directors of Company 1 or a Committee thereof. In the event that such notice has not been received by Company 1 in respect of any of the Proposed Shareholders as of the Record Date, the New DGML Equity Shares 2 shall be issued to such members in dematerialized form provided that such members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event Proposed Shareholder has notified Company 1 as contemplated above that they desire to be issued shares in the physical form or if the details furnished by any member do not permit electronic credit of the shares of the Company 1, then the Company 1 shall issue New DGML Equity Shares 2 in physical form to such Proposed Shareholder. In the event of there being any pending share transfer, lodged or outstanding, prior to the Record Date, of any Proposed Shareholder, the Board of Directors of GMSI shall be empowered, as the case may be to effectuate such a transfer in GMSI so that such changes in the registered holders are operative on the Record Date. The Board of Directors of Company 1 shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Company 1 in the transition period.
- 13.7 The issue and allotment of New DGML Equity Shares 2 to the Proposed Shareholders as provided in this Scheme, is an integral part thereof and shall be deemed to be made in compliance with the procedure laid down under Section 62 and other applicable



provisions of the Act and no separate approvals / procedures etc. required to be carried out under the Act. The approval of the members for the Scheme shall be deemed to be approval under Section 62 and other applicable provisions, if any, of the Act.

13.8 The New DGML Equity Shares 2 allotted pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchange.

13.9 There shall be no change in the holding pattern of the Proposed Shareholders between the Record Date and the listing date, which may affect the status of approval of the Stock Exchange to the Scheme.



14. ACCOUNTING TREATMENT

14.1 In the books of Company 1

On effectiveness of the Scheme and with effect from the Effective Date, Company 1 will comply with all the applicable accounting standards and generally accepted accounting principles, as may be amended from time to time, in relation to issue and allotment of New DGML Equity Shares 2 to the Proposed Shareholders in Company 1.

SECTION III

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

15. DEFINITIONS

The terms used in this Section III of the Scheme, but not defined herein shall have the meaning ascribed to them, in Sections I and II of this Scheme, as the context may require. For the purposes of Section III of this Scheme, unless repugnant to the meaning or context thereof, the following expression shall have the meaning as mentioned herein below:

- 15.1 “**Companies**” means Company 1 and Company 2 collectively;
- 15.2 “**SEBI**” means the Securities and Exchange Board of India, constituted under the Securities Exchange Board of India Act, 1992;
- 15.3 “**SEBI LODR Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 15.4 “**SEBI Circular**” means the circular issued by the SEBI, being Circular or enactments CFD/DIL3/CIR/2017/21 dated March 10, 2017, and any amendments thereof, on Schemes of Arrangement by Listed Companies or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;

16. APPLICATION TO THE NCLT AND GOVERNMENTAL AUTHORITY

- 16.1 Companies shall obtain the requisite consents, approvals or permission from such Government Authorities as required under Indian laws and Australian laws, their respective shareholders, as may be required or which by law may be necessary.
- 16.2 Company 1 shall make all applications/petitions under the Act to the NCLT, Mumbai Bench and the Governmental Authority(ies), as applicable; Company 2 shall make its application for this Scheme of Arrangement to such Governmental Authorities as may be prescribed by the applicable laws of Australia, as applicable; for sanctioning of this Scheme of Arrangement for carrying this Scheme of Arrangement into effect and obtain all approvals as may be required under Applicable Laws.



17. MODIFICATIONS AND AMENDMENTS TO THE SCHEME

- 17.1 Companies through their respective Board of Directors including any committee of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the concerned NCLT or any other competent authority/Governmental Authority may deem fit to direct, approve or impose and may give such directions as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under Law) for bringing this scheme into effect.
- 17.2 If any Section, Part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of all the Companies, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Section, Part or provision of this Scheme hereof is invalid, ruled illegal by any Governmental Authority, or unenforceable under present or future Laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Section, Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Section, Part or provision.

18. CONDITIONALITY OF THE SCHEME

- 18.1 This Scheme is conditional upon and subject to –



- 18.1.1 The approval of the Scheme of Arrangement under Securities and Exchange Board of India Regulations and Guidelines and by the requisite majorities of such classes of persons, members of all the Companies as may be directed by the Regulatory Authorities of Australia, if any and concerned NCLT or such other Governmental Authorities on the applications made for directions under the Act for calling meetings or otherwise and necessary resolutions being passed / consents obtained under the applicable Act for the purpose.
- 18.1.2 The approval by the public shareholders of the Company 1 through e-voting in terms of para 9(a) of Part I(A) of Annexure I of the SEBI Circular and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

18.1.3 Receipt of no-objection letters by Company 1 from the Stock Exchange in accordance with the SEBI LODR Regulations, 2015 and the SEBI Circulars in respect of the Scheme (prior to filing the Scheme with the Competent Authority), which shall be in form and substance acceptable to the Transferee Company acting reasonably and in good faith.

18.1.4 Approval of the Reserve Bank of India.

18.1.5 Approval by the concerned National Company Law Tribunal.

18.1.6 The certified copies of the concerned NCLT orders referred to in this Scheme of Arrangement being filed with the respective Registrar of Companies, as applicable and Governmental Authority of Australia, if required.

18.1.7 Compliance with such other conditions as may be imposed by the concerned NCLT or any other Government Authority.



19. EFFECT OF NON-RECEIPT OF APPROVALS

19.1 In the event of any of the said sanctions and/or approvals referred to in the preceding Clause 18 above not being obtained and/or the Scheme not being sanctioned by the concerned NCLT or any other Governmental Authorities and/or the order or orders not being passed as aforesaid, subject to Clause 17.2 of this Section, the Scheme shall become fully null and void and in that event no rights and obligations shall accrue to or be inter-se by the Parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or obligations which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in Law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

20. EXPENSES CONNECTED WITH THE SCHEME

20.1 All costs, charges and expenses, including any taxes and duties of Company 1, Company 2 and the Proposed Shareholders in relation to or in connection with or incidental to this Scheme of Arrangement and of carrying out and completing the terms of this Scheme of Arrangement shall be borne and paid by Company 1, Company 2 and the Proposed Shareholders respectively.





SCHEDULE I
PROPOSED SHAREHOLDERS AS DEFINED UNDER CLAUSE 8.14 OF PART A
OF SECTION II OF THIS SCHEME TO WHOM SHARES WILL BE ISSUED BY
DGML*

Sl. No	Shareholder's Name	No. of shares held in GMSI	Distinctive Nos
1	SUN Mining and Exploration Investments Limited	71,674	277511 to 297128 297129 to 329681 339876 to 342390 374064 to 375102 751439 to 754453
2	Halcyon Investments Limited	6,282	342391 to 348672
3	Resources Engineering Pvt Ltd ATF The Third Superannuation Fund	6,170	350039 to 351842 754454 to 756636 756637 to 758819
4	The Keizer Superannuation Fund	2,690	348673 to 350038 758820 to 760143
5	Sandeep Lakhwara	10,172	351843 to 355842 381275 to 387446
6	V.N.Vasudev	2,900	355843 to 358742
7	Saradchandra Rao Peshwa	2,000	358743 to 360742
8	Modali Hanuma Prasad	1,500	360743 to 362242
9	Devarajan Krishnan Mylappally	1,000	362243 to 363242
10	Saleem Ahmed Khan	1,000	363243 to 364242
11	Krishnamurthy Karunakaran	1,000	364243 to 365242
12	S.Subramaniam	1,000	365243 to 366242
13	S.B.Harish Kumar	700	366243 to 366942
14	Rajeev P. Hanamasar	500	366943 to 367442
15	N.Meena	400	367443 to 367842
16	A.V.S.Harikiran Kumar	350	367843 to 368192
17	V.Govindarajan	350	368193 to 368542
18	Satheesha G.R	250	368543 to 368792
19	Nalini R	250	368793 to 369042
20	Royal Richard G	200	369043 to 369242
21	Vijaya Kumar A	200	369243 to 369442
22	K.S. Yogananda	200	369443 to 369642
23	Mohan M.G.	200	369643 to 369842
24	Charles Edward English Devenish	6,172	375103 to 381274
25	Sun Group Enterprises Private Limited	15,000	703967 to 718966
26	Kolar Gold Resources Limited	259,494	531240 to 703966 718967 to 738502 790533 to 801948 808939 to 817169 845911 to 854141 899475 to 906192 1108556 to 1114055 1114056 to 1119122 1132493 to 1142421 1142422 to 1148021 1157916 to 1164454
27	Gopal Subramaniam	12,655	760144 to 772798
	Total	404,309	

* The Proposed Shareholders, includes the shareholders to whom any GMSI Equity Shares, have been allotted, for effecting any transfers between the date of filing of this Scheme and the Record Date.