

**NOTICE OF MEETING OF THE SECURED CREDITORS OF INTERSEA MARITIME LIMITED**

**CIN: U63012TN1998PLC040506**

**Registered Office: Buharia Towers, Sixth Floor, 4 Moores Road Chennai 600006**

**(Convened pursuant to order dated 6<sup>th</sup> July 2022 passed by the National Company Law Tribunal, Chennai Bench Court I)**

<b>NCLT convened meeting of the Secured Creditors of Intersea Maritime Limited</b>	
<b>Day</b>	<b>Saturday</b>
<b>Date</b>	<b>20<sup>th</sup> August 2022</b>
<b>Time</b>	<b>11:00 A.M.</b>
<b>Venue</b>	<b>Buharia Towers, Sixth Floor, 4 Moores Road Chennai 600006</b>

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The Notice of the Meeting, Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules and Annexures should be read together

FORM CAA.2

[Pursuant to section 230(3) and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH COURT I  
COMPANY SCHEME APPLICATION NO. CA/ (CAA) /11(CHE) / 2022

In the matter of Companies Act, 2013

AND

In the matter of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder;

AND

In the matter of Composite Scheme of Arrangement between Four M Maritime Private Limited ('Transferor Company'), Buhari Holdings Private Limited ("Demerged Company") and Intersea Maritime Limited ('Transferee Company' / 'Resulting Company') and their respective shareholders and creditors ('Scheme')

Intersea Maritime Limited, a company incorporated under )  
the Companies Act, 1956 having Corporate Identification )  
Number U63012TN1998PLC040506 and its registered )  
office at Buharia Towers, Sixth Floor 4 Moores Road ) .....Company / Transferee Company /  
Chennai 60000 ) Resulting Company

**NOTICE CONVENING THE MEETING OF SECURED CREDITORS OF THE INTERSEA MARITIME LIMITED PURSUANT TO THE ORDER DATED 6<sup>TH</sup> JULY 2022 BY THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH COURT I**

To,  
The Secured Creditors of Intersea Maritime Limited ('the 'Intersea' or 'the Transferee Company' / 'Resulting Company')

NOTICE is hereby given that by an Order dated 6<sup>th</sup> July 2022 ('Order'), the Chennai Bench of the National Company Law Tribunal ('NCLT') has directed that a meeting of Secured Creditors of the Transferee Company be held for the purpose of considering, and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement between Four M Maritime Private Limited ('Transferor Company'), Buhari Holdings Private Limited ("Demerged Company") and Intersea Maritime Limited ('Transferee Company' / 'Resulting Company') and their respective shareholders and Creditors ('the Scheme')

2:

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of Secured Creditors of the Transferee Company will be held at its registered office situated at Buharia Towers, Sixth Floor, 4 Moores Road Chennai 600006 on Saturday, the 20<sup>th</sup> day of August 2022 at 11.00 A.M and the secured Creditors of the Transferee Company are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

*'RESOLVED THAT pursuant to the provision of sections 230 to 232 of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company, and subject to compliance with other applicable laws/regulations/rules, as may be applicable, and subject to the sanction of the National Company Law Tribunal, Chennai bench ('NCLT' or 'Tribunal') and/or such other competent authority, as may be applicable, and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board'), the consent of the Secured creditors be and is hereby accorded to the Composite Scheme of Arrangement between Four M Maritime Private Limited ('Transferor Company'), Buhari Holdings Private Limited ('Demerged Company') and Intersea Maritime Limited ('Transferee Company') and their respective shareholders and creditors., which inter alia involves (i) reduction of equity share capital of the Transferee Company with effect from Appointed Date 1 as defined in the Part II of the Scheme followed by (ii) Selective Reduction of Share Capital in Transferor Company with effect from Appointed Date 1 as defined in Part III of the Scheme followed by (iii) Amalgamation of Transferor Company with Transferee Company and consequential dissolution of Transferor Company with effect from Appointed Date 2 as defined in Part IV of the Scheme followed by (iv) Demerger of Shipping Business of Demerged Company into Transferee Company with effect from Appointed Date 2 as defined in Part V of the Scheme, placed before this meeting and initialed by the Chairman of the meeting for the purposes of identification.*

*RESOLVED FURTHER THAT the any of the directors of the Company or the Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Chennai Bench of the National Company Law Tribunal while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may deem fit and proper.'*

Copy of the Scheme, the statement under section 230(3) read with section 102 of the Companies Act, 2013, read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('Rules') along with other annexures, as mentioned in the Index, Form of Proxy and Attendance Slip are annexed to this Notice. Copy of the Scheme and the aforesaid statement can also be obtained free of charge at the registered office of the Transferee Company.

The quorum for the Meeting shall be 1 (One) secured creditor. In case the quorum is not in place at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.

Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form duly signed by you or your authorized representative, is deposited at the Registered Office of the Company, not later than 48 hours before the Meeting. The form of proxy can be obtained from the registered office of the Transferee Company.

The Transferee Company has provided the facility of ballot/polling at the venue of the meeting.

Voting rights of Secured Creditors shall be in proportion to their outstanding amount dues in the Transferee Company as on closure of business hours on 30<sup>th</sup> June 2022('Cut-off Date')

NCLT has appointed Ms. R.V. Yajura Devi, Advocate to be the Chairperson of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

Dated this 19<sup>th</sup> day of July 2022

Sd/-

Ms. R.V. Yajura Devi  
Chairperson appointed for the meeting

Place: Chennai

Intersea Maritime Limited  
CIN : U63012TN1998PLC040506  
Registered Office : Buharia Towers, Sixth Floor, No. 4 Moores Road Chennai 600006

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**Notes for the meeting of the Secured Creditors of the Transferee Company:**

1. Only Secured Creditors of the Transferee Company are entitled to attend and vote either in person or in proxy (a proxy need not be a Secured creditor of the Transferee Company).
2. Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form, duly signed or authorized by the said person, are deposited at the Registered Office of the Transferee Company at Buharia Towers, Sixth Floor, No. 4, Moores Road Chennai 600006 not later than 48 hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Transferee Company.
3. All alterations made in the form of proxy should be initialed.
4. During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending the conclusion of the meeting, a Secured Creditors would be entitled to inspect the proxies lodged at any time during the business hours of the Transferee Company, provided that not less than 3 (three) days of notice in writing is given to the Transferee Company.
5. The Secured Creditors of the Transferee Company whose names appear in the records of the Transferee Company as on the Cut- off date i.e. 30 June 2022 shall be eligible to attend and vote at the meeting of the Secured Creditors of the Transferee Company either in person or by proxies.
6. The Notice convening the meeting has been published through advertisement in Business Standards (All India edition) in the English language and translation thereof in 'Makkal Kural' (Tamil Nadu edition) in the Tamil language.
7. A Secured Creditor or his/her Proxy is requested to bring the copy of this notice to the meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.
8. The notice is being sent to all Secured Creditors outstanding as on Cut- off date i.e. 30<sup>th</sup> June 2022. A soft/electronic copy of the Notice along with the Attendance Slip and Proxy Form is being sent to all the Secured Creditors whose e-mail ids are available with the Transferee Company unless any Secured Creditor has requested for a physical copy of the same. For those Secured Creditor whose e-mail addresses not available, physical copies of this Notice along with Attendance Slip and Proxy Form are being sent in the permitted mode.
9. Voting rights shall be reckoned on the outstanding amount due from the Transferee Company in the names of the Secured Creditors as on the Cut- off date i.e. 30<sup>th</sup> June 2022. Persons who are not Secured Creditors of the Transferee Company as on the Cut-off date should treat this notice for information purposes only.
10. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Secured Creditors at the registered office of the Transferee Company between 11.00 a.m. to 4.00 p.m. on all days (except Saturdays, Sundays and Public holidays) up to the date of the meeting.
11. The quorum of the meeting of the Secured Creditors of the Transferee Company shall be 1 (One) Secured Creditor of the Transferee Company present in person.
12. In accordance with the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, the Scheme shall be acted upon only if majority of persons representing three fourth in value of the Secured Creditors of the Transferee Company, voting in person or by proxy or by ballot, agree to the Scheme.
13. Ms. Nithya Pasupathy, Practicing Company Secretary has been appointed as the scrutinizer to

conduct the voting at the venue of the meeting in a fair and transparent manner.

14. The Scrutinizer shall immediately after the conclusion of the meeting first count the votes cast at the meeting in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
15. The scrutinizer will submit her combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the Secured Creditors of the Transferee Company through ballot/ polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the votes shall be final. The results of votes cast through ballot/ polling paper at the venue of the meeting will be announced on or before 23<sup>rd</sup> August 2022 at the registered office of the Transferee Company. The results, together with the scrutinizer's reports, will be available at the Registered office of the Company.

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH  
COMPANY SCHEME APPLICATION NO. CA/ (CAA) /11(CHE) / 2022**

In the matter of Companies Act, 2013

AND

In the matter of sections 230 to 232 and other applicable provisions of the Companies Act, 2013  
and rules framed thereunder;

AND

In the matter of Composite Scheme of Arrangement between Four M Maritime Private Limited  
("Transferor Company"), Buhari Holdings Private Limited ("Demerged Company") and  
Intersea Maritime Limited ("Transferee Company"/ 'Resulting Company') and their  
respective shareholders and creditors ('Scheme')

Intersea Maritime Limited, a company incorporated under )  
the Companies Act, 1956 having Corporate Identification )  
Number U63012TN1998PLC040506 and its registered )  
office at Buharia Towers, Sixth Floor 4 Moores Road ) .....Company / Transferee Company  
Chennai 60000 )

**EXPLANATORY STATEMENT UNDER SECTION 230(3),232 (2) OF THE COMPANIES  
ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT 2013; AND RULE 6  
OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION)  
RULES, 2016 FOR THE MEETING OF SECURED CREDITORS OF INTERSEA  
MARITIME LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL  
COMPANY LAW TRIBUNAL, CHENNAI BENCH**

1. This is a Statement accompanying the Notice convening the meeting of Secured creditors of Buhari Holdings Private Limited for approving Composite Scheme of Arrangement ("Scheme") between Intersea Maritime Limited (hereinafter referred to as the 'Transferee Company' or 'Resulting Company' or 'INTERSEA'), Four M Maritime Private Limited (hereinafter referred to as the 'Transferor Company' or 'Four M') and Buhari Holdings Private Limited (hereinafter referred to as the 'Demerged Company' or 'Buhari'). The definitions contained in the Scheme will also apply to this Explanatory Statement ('Explanatory Statement').
2. The draft Scheme was placed before Board of Directors of the Transferee Company at their meetings held on 19<sup>th</sup> November 2021. The Board of Directors of the Transferee Company have unanimously concluded that the Scheme is in the best interest of the Transferee Company and its shareholders.
3. Copy of the Scheme as approved by the Board of Directors of the Transferee Company is enclosed herewith.

**4. Details of the order passed by the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT/ Tribunal") directing the calling, convening and conducting of the meeting**

- a. Pursuant to the Order dated 6<sup>th</sup> July 2022 passed by the NCLT in the Company Application no.CA(CAA)/11(CHE)/2022 referred to hereinabove, a meeting of the Secured Creditors of the Transferee Company is being convened and held Buharia Towers, Sixth Floor, 4 Moores Road Chennai 600006 on Saturday the 20<sup>th</sup> day of August 2022 at 11.00 A.M. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Composite Scheme of Arrangement between Four M Maritime Private Limited ("Transferor Company"), Buhari Holdings Private Limited ("Demerged Company") and Intersea Maritime Limited ("Transferee Company") and their respective shareholders and creditors.
- b. NCLT has fixed 1 (One) Secured Creditor present in person as the quorum for the said meeting. In case the said quorum is not present at the time fixed for the meeting, the meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum. NCLT has appointed Ms. R.V.Yajura Devi, Advocate as the Chairperson of the meeting.

**5. Relationship between the Companies involved in the Scheme:**

All companies involved in the scheme are co-owners of the Vessel MV Gem of Ennore which was sold during July 2021 and presently co-own a Vessel MV Intersea Voyager. All the three companies are in the business of owning and operating ships.

Mr. Abdul Qadir is a common shareholder in all the three companies and the details of his shareholding in the said companies is as below:

- 15.79% in Transferee Company
- 57.68% in Transferor Company
- 18.71% in Demerged Company

Mr. Mariam Habeeb is a common shareholder in Buhari & Intersea and the details of his shareholding in the said companies is as below:

- 9.19% in Demerged Company
- 1.06% in Transferee Company

6. Rationale/Benefits of the Scheme:

- a) Reduction of share capital of Intersea: The rationale behind the reduction of share capital of Intersea is as under:
- (i) Erosion of Net worth due accumulated losses over a period of time has substantially wiped off the value represented by the share capital, and thus, the financial statements do not reflect the correct picture of the financial health of Intersea. This has given rise to a need to re-adjust the capital to accurately and fairly reflect the liabilities and assets of Intersea in its books of accounts. Intersea has evaluated the effect of this upon its functioning and has carefully examined different options available to it. After detailed deliberations, the Board of Directors of Intersea have proposed to reduce the capital of Intersea in accordance with the provisions of Section 230 and other applicable provisions of the Companies Act, 2013.
  - (ii) The reduction of capital in the manner proposed would enable Intersea to have a capital structure which will commensurate with its remaining business and assets.
  - (iii) The reduction of capital is not prejudicial and would not affect the interest of any stakeholders (including shareholders) of Intersea. For the sake of clarity, it is specified that the creditors of Intersea are in no way affected by the proposed reduction of capital as there is no reduction in the amount payable to any of the creditors and therefore, no compromise or arrangement is contemplated with the creditors.
  - (iv) Further, this Scheme does not involve diminution of any liability in respect of unpaid capital and there are no partly paid-up shares but for the cancellation of 1,66,78,867 (One crore Sixty-Six lakhs Seventy-Eight Thousand and Eight hundred Sixty Seven only) equity shares of Rs. 10/- each of Intersea against accumulated losses.

- (v) Additionally, the proposed adjustment would not in any way adversely affect the ordinary operations of Intersea or its ability to honor its commitments or to pay its debts in the ordinary course of its business.

In order to reflect the true financial health of Intersea as explained above, the Board of Directors of Intersea believe that the Appointed Date for capital reduction should be 31st March 2021 (herein after referred as "Appointed Date 1").

- b) Selective reduction of share capital of Four M: The rationale behind the selective reduction of share capital of Four M is as under:

- (i) The Scheme will facilitate exit of one of its shareholders namely Gulf Fertilizers and Chemicals Limited, as the capital of Four M has completely eroded due to the business losses and is unwilling to participate in further capital/ business operations of the company.
- (ii) The unwillingness of Gulf Fertilizers and Chemicals Limited to pursue its investment in the shipping business disinclination and due to the breakout of COVID-19 pandemic

The Board of Directors of Four M believe that the selective capital reduction should have date as 31<sup>st</sup> March 2021 i.e. Appointed Date 1.

- c) After the aforementioned capital reduction in Intersea and selective capital reduction in Four M, it is proposed to amalgamate Four M into Intersea. The amalgamation would entail the following benefits:

- (i) Enable consolidation of the business of the Transferor Company and Transferee Company into one entity which will facilitate focused growth, operational efficiency, integration, and better supervision of the business of the group and optimal allocation of capital.
- (ii) Enables ease of business by having ownership of the ship(s) in a single entity.
- (iii) Enable synergy benefits in the Transferor Company and Transferee Company due to economies of scale by combining all the functions, related activities, and operations.

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(iv) Intersea and Four M are engaged in similar business. Intersea intends to purchase Cargo Ship(s). Considering the shipping industry dynamics in India and global markets and growth opportunities, Intersea and Four M believe that the proposed consolidation of the Four M Business (more particularly defined hereinafter) with Intersea will lead to robust growth opportunities in India and globally.

(v) Resources of the Transferor Company and Transferee Company in the form of managerial and technical expertise can be combined for optimum utilization and to increase operational efficiency.

(vi) Facilitate scaling of operations, reduce administrative costs and garner greater visibility in the market.

(vii) Enable smooth implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.

(viii) Bring about operational efficiencies and reduction of administrative and managerial overheads as well as reduction in multiplicity of legal and regulatory compliances.

Given that the business of the Transferor Company and the Transferee Company is the same and combination of such companies would lead to business continuity along with commercial, operational and administrative synergies (as explained above) leading to maximizing stakeholders' value, the Board of Directors of the respective companies believe that the amalgamation should have an Appointed Date of 01<sup>st</sup> April 2021 (herein after referred as "Appointed Date 2").

d) Subsequent to the amalgamation of Four M into Intersea, it is proposed to demerge the shipping business of Buhari into Intersea, which would *inter-alia*, entail the following benefits:

- (i) Unlock the value of the shipping business and to maximize shareholders' wealth.
- (ii) Enable ease of business by having ownership of the ships in single entity.

- (iii) Enable the attribution of appropriate risk and valuation to the concerned businesses based on their risk-return profile and cash flows.
- (iv) Ensure dedicated leadership and management in respect of the shipping business.
- (v) Provide greater visibility of the proposed standalone Real Estate Business which shall be the retained undertaking in Buhari.

In view of the aforesaid, the Board of Directors believe that the demerger should have an Appointed Date 2 of 1<sup>st</sup> April 2021 (after giving effect to the capital reduction of Intersea, selective capital reduction in Four M and amalgamation of Four M into Intersea), in order to reflect and represent, through a uniform financial statement, the true financial strengths of the Transferee / Resulting Company.

e. Overall, the Scheme envisages the following benefits:

- a. Simplification of group structure;
- b. Business and administrative synergies, enhancement of net worth of the combined business for future growth and expansion;
- c. Greater financial strength and flexibility for the Transferee Company / Resulting Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity;
- d. Create enhanced value for the shareholders and allow a focused strategy in operations;
- e. Avoid duplication of efforts;
- f. Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial, and other administrative costs;
- g. Ease of doing business with all the stakeholders including customers, vendors, lenders, employees etc. by positioning entire business under one single brand name;

**7. Salient features of the Scheme:**

- i. This Composite Scheme of Arrangement is between Four M Maritime Private Limited ("Transferor Company"), Buhari Holdings Private Limited ("Demerged

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Company”) and Intersea Maritime Limited (‘Transferee Company’) and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 (‘Act’) and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

- ii. This Scheme is divided into following parts:
  - a) PART I deals with the Definitions, Interpretations and Share Capital;
  - b) PART II deals with Reduction of Share Capital of Intersea;
  - c) PART III deals with Selective Capital Reduction of Four M;
  - d) PART IV deals with Amalgamation of Four M into Intersea and Dissolution of Four M without winding up; and
  - e) PART V deals with demerger of shipping business of Buhari into Intersea.
  - f) PART VI deals with General Terms and Conditions applicable to this Scheme.
- iii. ‘Appointed Date 1’ for Part II and III of the Scheme means 31<sup>st</sup> March 2021.
- iv. ‘Appointed Date 2’ for part IV and V of the Scheme means 01<sup>st</sup> April 2021.
- v. ‘Effective Date’ in relation to Scheme means the date on which the certified copies of the orders sanctioning this Scheme, passed by the National Company Law Tribunal, Chennai Bench, are filed with the Registrar of Companies, Chennai by the Demerged Company, the Transferor Company and the Transferee Company / Resulting Company. Any references in this Scheme to the date of ‘coming into effect of this Scheme’ or ‘upon the Scheme becoming effective’ shall mean the Effective Date.

**THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE SECURED CREDITORS OF THE TRANSFEEE COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.**

8. **Summary of Valuation Report (Including basis of valuation)**
  - i. Summary of Valuation Report obtained from Mr. Ramji Mahadevan, registered valuer is enclosed as Annexure 8B.
  - ii. The valuation report is available for inspection at the Registered office of the Transferee Company.
  - iii. A copy of the Valuation Report is enclosed to this notice as Annexure 8A.
9. The proposed Scheme was placed before the Board of Directors of the Transferee Company for its favorable consideration after inter alia taking into account the Valuation report dated 19<sup>th</sup> November 2021 issued by Mr. Ramji Mahadevan, registered valuer.

10. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:

- i. It is confirmed that the copy of the draft Scheme has been filed with the Registrar of Companies, Chennai by the Transferee Company.
- ii. In compliance with the requirement of section 230(5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, a notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme, as directed by the Hon'ble Tribunal.

11. Amounts due to secured & unsecured Creditors as on 30<sup>th</sup> June 2022

Particulars of amounts due to secured and unsecured creditors for the Transferee Company as at 30<sup>th</sup> June 2022, are detailed herein:

Type of Debt	Name	Amount in INR
Secured	HDFC Bank	5,71,051
Unsecured Creditors	Admiral Manning Consultancy FZE	156,750
	Alive Ocean Limited	692,787
	Alphard Maritime Pte Ltd	475,878
	Britannia Steam Ship Ins Assn Ltd (S'pore)	752,156
	EH Engineering Co., Ltd	735,878
	HatchTec Marine Service Limited	790,113
	Marinetechss Pte Ltd	194,041
	Maritronics	65,943
	NCS SG Pte Ltd	764,026
	Nile Maritime Services Pte Ltd	104,683
	PT. Barra Asean Shipping	524,679
	QEL Shipping Services SDN. BHD.	33,040
	Shewratan Singapore Pte Ltd	452,179
	Shipping Protection Ship Services Limited	1,405,114
	Sinoda Shipping Agency Pte Ltd	1,078,452
SM Global Marine(S) Pte Ltd	464,875	
Voyager Worldwide Pte Ltd	3,752	

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WES Marine Controls Pte Ltd	85,687
Wilhelmsen Ships Service AS	474,710
Seaking International	5,075
Vings Tours and Travels Pvt Ltd	471,677
Vridhi Maritime Private Limited	1,600,393
ETA LLC, Dubai	722,722
West Asia Maritime Ltd - Creditor	181,602
AVC Secure Solutions	68,440
Best Cool Electronics Services LLP	5,922
Buhari Estate And Company	82,373
Buhari Facility Management (P) Ltd	135,478
Home - Tech Services Pvt. Ltd.	64,363
Illume Creative Studio	49,608
Jet Express & Cargo	11,256
Lanson Motors Pvt Ltd	82,461
LanTech Systems (India) Private Limited	31,270
N.C.Rajagopal & Co.	27,000
Prince Computer & Stationers	12,667
RBJV & Associates	618
S Santhanagopalan & Co.	135,000
The Elite Petrol Service	111,082
Tikona Digital Networks Pvt Ltd	10,667

**12. Effect of the Scheme on various parties:**

**i. Directors and Key Managerial Personnel (KMP)**

The Directors and KMP and their respective relatives of the Transferee Company may be affected only to the extent of their shareholding in the Transferee Company, or to the extent

that the said Directors/ KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in Transferee Company, if any. As such there will be no adverse impact consequent to the Scheme.

**ii. Promoter and Non-Promoter Members**

Promoter members of the Transferee Company shall be affected only to the extent of their shareholding in the Transferee Company. As such there will be no adverse impact consequent to the Scheme.

Non-Promoter members of the Transferee Company shall also not be affected

**iii. Depositors**

As of date, the Transferee Company have not accepted any deposits, therefore, the effect of the Scheme on any depositors does not arise.

**iv. Creditors**

The creditors of the Transferee Company will not be affected by the Scheme and the Transferee Company will discharge all such liabilities in the normal course of business without jeopardizing the rights of the creditors. Further the creditors of the Transferee Company will not be affected by the Scheme, since post amalgamation, the assets of the Transferee Company will be sufficient to discharge all its liabilities.

**v. Debenture holders**

As of date, the Transferee Company does not have any debenture holders, therefore, the effect of the Scheme on debenture holders does not arise.

**vi. Deposit trustee and debenture trustee**

The Transferee Company does not have any deposit or debenture trustee, therefore, the point of effect of the Scheme on deposit and debenture trustee does not arise.

**vii. Employees**

All Employees, if any of the Transferor Company shall become the employees of the Transferee Company, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service. Hence, the rights and interests of the employees of the Transferor Company and Transferee Company involved in the Scheme will not be prejudicially affected by the Scheme.

All Employees, if any of the Demerged Undertaking shall become the employees of the Transferee Company, on terms and conditions not less favorable than those on which they are engaged by the Demerged Company and without any interruption of or break in service. Hence, the rights and interests of the employees of the Demerged undertaking and Transferee Company involved in the Scheme will not be prejudicially affected by the Scheme.

**13. Effect of the Scheme on material interest of Directors, KMP and Debenture Trustee**

None of the Directors, Key Managerial Personnel, if any, of the Transferor Company Demerged Company and the Transferee Company have any material personal interest in the Scheme, save to the extent of shares held by the Directors / KMP in the Transferor Company Demerged Company and the Transferee Company, if any.

**14. No investigation or proceedings under the Companies Act, 1956 and /or Companies Act, 2013 have been instituted or are pending in relation to the Transferor Company, Demerged**

Company and the Transferee Company.

15. There are no winding up proceedings pending against the Transferor Company, Demerged Company and the Transferee Company as of date.
16. The companies involved in the scheme have made joint application before NCLT for the sanction of the Scheme under sections 230 to 232 other applicable provisions of the Act and rules made thereunder.
17. Following documents will be available for obtaining extract from or for making or obtaining copies of or inspection by the Secured creditor of the Transferee Company at its registered office between 11:00 a.m. to 4:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the meeting namely:
  - a. Latest Audited Financial Statements of the Companies involved in the scheme;
  - b. Provisional Financial Statements of Companies involved in the scheme as on 31<sup>st</sup> March 2022 ;
  - c. Copy of Memorandum of Association and Articles of Association of Companies involved in the scheme;
  - d. Copy of the order(s) of Tribunal dated 6<sup>th</sup> July 2022 in pursuance of which the meeting is to be convened;
  - e. Copy of the Scheme;
  - f. Contracts or Agreements material to the Scheme- There are no contracts or agreements material to the Scheme;
  - g. Certificate issued by the Auditor of the Transferor Company , Demerged Company and the Transferee Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013;
  - h. Copies of the resolutions passed by the respective Board of Directors of the Companies involved in this scheme.
  - i. Valuation Report dated 19<sup>th</sup>, November 2021 issued by Mr. Ramji Mahadevan, registered valuer.

Date: 19<sup>th</sup> July, 2022  
Place: Chennai

Intersea Maritime Limited  
CIN : U63012TN1998PLC040506  
Registered Office : Buharia Towers, Sixth Floor, 4 Moores Road Chennai 600006

BETWEEN

FOUR M MARITIME PRIVATE LIMITED

AND

BUHARI HOLDINGS PRIVATE LIMITED

AND

INTERSEA MARITIME LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

---

UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES  
ACT, 2013 AND RULES FRAMED THEREUNDER

**A. PREAMBLE**

This Composite Scheme of Arrangement ('Scheme') is presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder for:

- a) Reduction of share capital of Intersea Maritime Limited (hereinafter referred to as 'Intersea' or 'Transferee Company' or 'Resulting Company')
- b) Selective Reduction of Share Capital of Four M Maritime Private Limited (hereinafter referred to as 'Four M' or 'Transferor Company').
- c) Amalgamation of Four M into Intersea and consequent dissolution of Four M without winding up; and
- d) Demerger of Shipping business (hereinafter referred to as 'Demerged Undertaking') of Buhari Holdings Private Limited (hereinafter referred to as 'Buhari' or 'Demerged Company') into Intersea.

**B. DESCRIPTION OF COMPANIES**

**(I) INTERSEA MARITIME LIMITED (INTERSEA OR TRANSFEREE COMPANY OR RESULTING COMPANY)**

The Transferee Company was incorporated as a Public limited company under the Companies Act, 1956 in the State of Tamil Nadu on 15<sup>th</sup> May 1998 under the name and style of 'East Coast Terminal Operations and Port Services Limited'. The name of the Transferee Company was changed to 'Intersea Maritime Limited' with effect from 09<sup>th</sup> September 2019. The registered

office of the Transferee Company is currently situated at Buharia Towers, Sixth Floor, 4, Moores Road, Chennai 600006. It is primarily engaged in the business of owning and operating ships.

**(II) FOUR M MARITIME PRIVATE LIMITED (FOUR M OR TRANSFEROR COMPANY)**

The Transferor Company was originally incorporated as a private limited company under the Companies Act 1956 in the State of Tamil Nadu on 11<sup>th</sup> January, 1999 under the name and style of "Four M Holdings Private Limited. The name of the transferor company was changed to 'Four M Maritime Private Limited, with effect from 17<sup>th</sup> September 2001. The registered office of the Transferor Company is currently situated at Buharia Towers, Sixth Floor, No.4, Moores Road, Chennai - 600006. It is primarily engaged in the business of owning and operating ships.

**(III) BUHARI HOLDINGS PRIVATE LIMITED ('DEMERGED COMPANY')**

The Demerged Company was originally incorporated as a private limited company under the Companies Act 1956 in the State of Tamil Nadu on 08 March 1989 under the name and style of 'Buharia Holdings Private Limited. The name of the Demerged Company was changed to "Buhari Holdings Private Limited with effect from 28<sup>th</sup> May 2004 and has its registered office situated at No. 4, Moores Road, Chennai 600006. It is engaged in the business of owning and operating ships; it is also engaged in real estate business.

**C. RATIONALE OF THE SCHEME**

a) Reduction of share capital of Intersea: The rationale behind the reduction of share capital of Intersea is as under:

- (i) Erosion of Networth due accumulated losses over a period of time has substantially wiped off the value represented by the share capital, and thus, the financial statements do not reflect the correct picture of the financial health of Intersea. This has given rise to a need to re-adjust the capital to accurately and fairly reflect the liabilities and assets of Intersea in its books of accounts. Intersea has evaluated the effect of this upon its functioning and has carefully examined different options available to it. After detailed deliberations, the Board of Directors of Intersea have proposed to reduce the capital of Intersea in accordance with the provisions of Section 230 and other applicable provisions of the Companies Act, 2013.

- (ii) The reduction of capital in the manner proposed would enable Intersea to have a capital structure which will commensurate with its remaining business and assets.
- (iii) The reduction of capital is not prejudicial and would not affect the interest of any stakeholders (including shareholders) of Intersea. For the sake of clarity, it is specified that the creditors of Intersea are in no way affected by the proposed reduction of capital as there is no reduction in the amount payable to any of the creditors and therefore, no compromise or arrangement is contemplated with the creditors.
- (iv) Further, this Scheme does not involve diminution of any liability in respect of unpaid capital and there are no partly paid-up shares but for the cancellation of 1,66,78,867 (One crore Sixty-Sixlaks Seventy-Eight Thousand and Eight hundred Sixty Sevenonly) equity shares of Rs. 10/- each of Intersea against accumulated losses.
- (v) Additionally, the proposed adjustment would not in any way adversely affect the ordinary operations of Intersea or its ability to honor its commitments or to pay its debts in the ordinary course of its business.

In order to reflect the true financial health of Intersea as explained above, the Board of Directors of Intersea believe that the Appointed Date for capital reduction should be 31st March 2021 (herein after referred as "Appointed Date 1").

b) Selective reduction of share capital of Four M: The rationale behind the selective reduction of share capital of Four M is as under:

- (i) The Scheme will facilitate exit of one of its shareholders namely Gulf Fertilizers and Chemicals Limited, as the capital of Four M has completely eroded due to the business losses and is unwilling to participate in further capital/ business operations of the company.
- (ii) The unwillingness of Gulf Fertilizers and Chemicals Limited to pursue its investment in the shipping business disinclination and due to the breakout of COVID-19 pandemic

The Board of Directors believe that the selective capital reduction should have date as 31st March 2021 i.e. an Appointed Date 1.

c) After the aforementioned capital reduction in Intersea and selective capital reduction in Four M, it is proposed to amalgamate Four M into Intersea. The amalgamation would entail the following benefits:

- (i) Enable consolidation of the business of the Transferor Company and Transferee Company into one entity which will facilitate focused growth, operational efficiency, integration, and better supervision of the business of the group and optimal allocation of capital.
- (ii) Enables ease of business by having ownership of the ship(s) in a single entity.
- (iii) Enable synergy benefits in the Transferor Company and Transferee Company due to economies of scale by combining all the functions, related activities, and operations.
- (iv) Intersea and Four M are engaged in similar business. Intersea intends to purchase Cargo Ship(s). Considering the shipping industry dynamics in India and global markets and growth opportunities, Intersea and Four M believe that the proposed consolidation of the Four M Business (more particularly defined hereinafter) with Intersea will lead to robust growth opportunities in India and globally.
- (v) Resources of the Transferor Company and Transferee Company in the form of managerial and technical expertise can be combined for optimum utilization and to increase operational efficiency.
- (vi) Facilitate scaling of operations, reduce administrative costs and garner greater visibility in the market.
- (vii) Enable smooth implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.
- (viii) Bring about operational efficiencies and reduction of administrative and managerial overheads as well as reduction in multiplicity of legal and regulatory compliances.

Given that the business of the Transferor Company and the Transferee Company is the same and combination of such companies would lead to business continuity along with commercial, operational and administrative synergies (as explained above) leading to maximizing stakeholders' value, the Board of Directors of the respective companies believe

that the amalgamation should have an Appointed Date of 01<sup>st</sup>April 2021 (herein after referred as "Appointed Date 2").

d) Subsequent to the amalgamation of Four M into Intersea, it is proposed to demerge the shipping business of Buhari into Intersea, which would *inter-alia*, entail the following benefits:

- (i) Unlock the value of the shipping business and to maximize shareholders' wealth.
- (ii) Enable ease of business by having ownership of the ships in single entity.
- (iii) Enable the attribution of appropriate risk and valuation to the concerned businesses based on their risk-return profile and cash flows.
- (iv) Ensure dedicated leadership and management in respect of the shipping business.
- (v) Provide greater visibility of the proposed standalone Real Estate Business which shall be the retained undertaking in Buhari.

In view of the aforesaid, the Board of Directors believe that the demerger should have an Appointed Date 2 of 1<sup>st</sup>April 2021 (after giving effect to the capital reduction of Intersea, selective capital reduction in Four M and amalgamation of Four M into Intersea), in order to reflect and represent, through a uniform financial statement, the true financial strengths of the Transferee / Resulting Company.

e. Overall, the Scheme envisages the following benefits:

- (i) Simplification of group structure;
- (ii) Business and administrative synergies, enhancement of net worth of the combined business for future growth and expansion;
- (iii) Greater financial strength and flexibility for the Transferee Company / Resulting Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity;
- (iv) Create enhanced value for the shareholders and allow a focused strategy in operations;
- (v) Avoid duplication of efforts;
- (vi) Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial, and other administrative costs;
- (vii) Ease of doing business with all the stakeholders including customers, vendors, lenders, employees etc. by positioning entire business under one single brand name;

In view of the aforesaid, the Board of Directors of Intersea, Four M and Buhari have considered and proposed the Scheme under the provisions of Sections 230-232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

#### **D. PARTS OF THE SCHEME**

This Scheme is divided into following parts:

- a) **PART I** deals with the Definitions, Interpretations and Share Capital;
- b) **PART II** deals with Reduction of Share Capital of Intersea;
- c) **PART III** deals with Selective Capital Reduction of Four M;
- d) **PART IV** deals with Amalgamation of Four M into Intersea and Dissolution of Four M without winding up; and
- e) **PART V** deals with demerger of shipping business of Buhari into Intersea.
- f) **PART VI** deals with General Terms and Conditions applicable to this Scheme.

Each part shall be deemed to have taken effect as per the chronology specifically provided for in the Scheme.

**PART I –DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1. **“Act” or “the Act”** means the Companies Act, 2013, and ordinances, rules and regulations made thereunder, and shall include any statutory modifications, re-enactments, or amendments thereof for the time being in force. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 2013, unless stated otherwise.
- 1.2. **“Applicable Law”** shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by the appropriate authority including any statutory modification or re-enactment thereof for the time being in force.
- 1.3. **“Appointed Date 1”** for Part II and Part III of the Scheme means 31<sup>st</sup> March, 2021 or any other date as the NCLT may direct or approve under the relevant provisions of the Act.
- 1.4. **“Appointed Date 2”** for Part IV and Part V of the Scheme means 1<sup>st</sup> April 2021 or any other date as the NCLT may direct or approve under the relevant provisions of the Act.
- 1.5. **“Board of Directors”** means the respective Board of Director of the Transferor Company or the Demerged Company or the Transferee Company, as the case may be and shall include any committee of directors constituted or appointed and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto.
- 1.6. **‘Demerged Company’ or ‘Buhari** means Buhari Holdings Private Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Buharia Towers, 6<sup>th</sup> Floor, No. 4 Moores Road, Chennai 600006.
- 1.7. **‘Demerged Undertaking’** shall mean the entire activities, operations, business division and undertaking of Buhari pertaining to the Shipping Business on a going concern basis and include (without limitation) all the assets, liabilities and employees, rights, powers, licenses, statutory registrations, permissions and powers, leasehold rights and all its debts, outstanding, liabilities, duties, obligations as on the Appointed Date 2 of the Demerged Company pertaining to and/ or arising out of and/ or relating to Shipping Business. Without prejudice to the generality of the aforesaid, it shall include (without limitation) in particular the following:

- a) all assets and properties, immovable or movable, if any, tangible or intangible, including all rights, title and interest in any buildings whether leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets, trademarks, brands, logos, labels, loans and advances, inventory and work in progress, all agreements, rights, contracts entitlements including those for provision or receipt of any services related to the Shipping Business and rights relating thereto, facilities, inventories, stores and accessories, utilities, services, implements, apparatus, instruments, vehicles, spares, tools vessels, stabilizers, loans and advances, deposits, sundry debtors, cash and bank balances and other investments specifically relating to the Shipping Business, investments in all other assets whether real or personal, present, future or contingent and liabilities relating to the Demerged Undertaking;
- b) all vessels (along with all fixtures in its present form) along with their respective shipping license, registrations, approvals, permits, sanctions etc. issued by Directorate General of Shipping and other regulators / authorities to enable vessels to operate uninterruptedly;
- c) all permits, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, income tax recognitions, certifications, eligibilities, benefits, exemptions, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, including brought forward losses and unabsorbed depreciation, tenancies in relation to office, bank accounts, lease rights, licenses, industrial and other licenses, if any, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;
- d) contingent rights or benefits, receivables, benefit of any deposits and financial assets, statutory reserve (including tonnage tax reserve), provisions, funds etc. pertaining to the Demerged Undertaking;

e) all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether in rupees or foreign currency, pertaining to and/ or arising out of and/ or relatable to the Demerged Undertaking For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking will include:

- i. the debts, liabilities, duties and obligations of the Demerged Company which arise out of the activities or operations of the Demerged Undertaking;
- ii. Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Demerged Undertaking;

f) All intellectual property and industrial property rights and assets, and all rights, interests and protections associated with, similar to or required for any of the foregoing, whether registered or unregistered trade and services names and marks, brand names, logos, design rights, patents, copyrights, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein, works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author performer and neighbouring rights, and all registrations applications for registration and renewals of such copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, software and firmware including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Demerged Undertaking.

- g) all statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Demerged Undertaking;
- h) all earnest monies and/or security deposits in connection with or relating to the Demerged Undertaking;
- i) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking;
- j) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking of the Demerged Company shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

It is intended that the definition of the Demerged Undertaking under this sub-clause would enable the transfer of all property, assets, liabilities, rights, obligations, entitlements and benefits of the Demerged Undertaking to the Resulting Company pursuant to this Scheme, without any further act or deed.

1.8. "Effective Date" in relation to Scheme means the date on which the certified copies of the orders sanctioning this Scheme, passed by the National Company Law Tribunal, Chennai Bench, are filed with the Registrar of Companies, Chennai by the Demerged Company, the Transferor Company and the Transferee Company / Resulting Company. Any references in this Scheme to

the date of "coming into effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date.

- 1.9. **Four M Merger Shares** means shares of Intersea issued to the shareholders of the Four M upon the scheme becoming effective.
- 1.10. **"Gulf Fertilisers and Chemicals Limited"** means a Mauritius based company holding shares of Four M as on Record Date, whose shares shall be cancelled pursuant to Part III of the Scheme becoming effective.
- 1.11. **"IT Act"** means Income-tax Act, 1961 and rules made thereunder and shall include any statutory modification, re-enactment or amendments thereof for the time being in force.
- 1.12. **"NCLT" or "Tribunal"** means National Company Law Tribunal, Chennai bench, having jurisdiction in relation to the Transferor Company, Demerged Company and the Transferee Company / Resulting Company and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of NCLT to sanction the Scheme under the Act.
- 1.13. **"Record Date"** shall be the Effective Date in relation to Part II, III, IV and V of this Scheme.
- 1.14. **"Regional Director"** means the Regional Director (Southern Region) Ministry of Corporate Affairs, Chennai, having jurisdiction over the Resulting Company, Transferor Company and Demerged Company.
- 1.15. **'Registrar of Companies'** shall mean the Registrar of Companies, Chennai, Tamil Nadu having jurisdiction over the Resulting Company, Transferor Company and Demerged Company.
- 1.16. **'Remaining Business'** means all businesses and undertaking of Buhari other than the Demerged Undertaking.
- 1.17. **"Resulting Company" or "Transferee Company"** means Intersea Maritime Limited, (Intersea) a company incorporated under Companies Act 1956 and having its registered office

at Buharia Towers, Sixth Floor, No. 4 Moores Road, Chennai 600006 and having Corporate Identification Number U63012TN1998PLC040506,

1.18. "Scheme" or "the Scheme" or "this Scheme" means this Composite Scheme of Arrangement in its present form or with any modification(s) made to this Scheme.

1.19. "Transferor Company" or 'Four M' means Four M Maritime Private Limited, a company incorporated under the Companies Act, 1956 having its registered office Buharia Towers, Sixth Floor 4 Moores Road, Chennai 600006 and having Corporate Identity Number U65993TN1999PTC041716.

1.20. "Undertaking of Four M" shall mean and include the whole of the business of the Transferor Company, as a going concern as on the Appointed date 2 and also taking into account the business undertaking from the Appointed Date 2 to the Effective Date, including but not limited to:

- a) all cash in hand, cash at bank, deposits, savings, reserves, investments, funds, receipts, trade receivables, provisions and cash equivalent of any kind whatsoever;
- b) all vessels (along with all fixtures in its present form) along with their respective shipping license, registrations, approvals, permits, sanctions etc. issued by Directorate General of Shipping and other regulators / authorities to enable vessels to operate uninterruptedly;
- c) all secured and unsecured debts, liabilities, duties and obligations together with all present and future liabilities (including contingent liabilities) relating to the Transferor Company;
- d) all the assets, properties, rights, titles and benefits, whether real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed assets, plant and machinery, movable assets, vehicles, work-in-progress, current assets, goods, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipments, installations, furniture, fixtures, utilities, electricity, water and other service connections;
- e) all licenses, permits, quotas, approvals, registrations, allotments, privileges, advantages, exemptions, accreditations to trade and industrial bodies, no-objections, clearances, incentives, municipal permissions, regulatory permissions, consents or power of every kind, nature and description whatsoever, obtained from governmental bodies, appropriate

authorities or third parties, in connection with the operations of or relating to the Transferor Company;

- f) all copyrights, patents, trade names, trademarks, software licenses, domain / websites, and other rights (including rights under any contracts, government contracts, memoranda of understanding etc.) and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, domain names, industrial designs, trade secrets, technical know-how or intellectual property rights of any nature and any other intangibles;
- g) all leases, tenancy rights, premises, ownership flats, hire-purchase, benefits of security arrangements, benefits of agreements, contracts and arrangements, powers, easements and all the rights thereof;
- h) all title, interest benefit, advantage, deposits, reserves, provisions, advances, receivables, subsidies, grants, benefits of agreements, and all other rights relating to taxes (including tax refunds, credits, etc.) including but not limited to credits in respect of income tax, minimum alternate tax, fringe benefit tax, taxes withheld at source by or on behalf of the Transferor Companies, GST, wealth tax, sales tax, value added tax, turnover tax, MODVAT credit, CENVAT credit, service tax etc.;
- i) any other title, interest, goodwill, benefit, advantage, liability, obligation, right, in connection with or relating to the Transferor Companies and other claims and powers, of whatsoever nature and wheresoever situated belonging to, or in the possession of, or granted in favour of, or enjoyed by the Transferor Company;
- j) All books, records, files, papers, governance templates and process in formation, records of standard operating procedures, computer programs along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Transferor Company;
- k) All legal, tax, regulatory, quasi-judicial, administrative or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company;
- l) Liabilities of every kind, nature and description, whether present or future, whether or not required to be reflected on a balance sheet in accordance with the applicable Accounting Standards and includes corporate loans, refundable deposits, advances, contingent liabilities, term loans including secured loans and unsecured loans, borrowings, statutory liabilities (including those under taxation laws, stamp duty laws etc.), contractual liabilities,

duties, obligations, guarantees and those arising out of proceedings of any nature, relating to or appertaining to, or attributable to the Transferor Company, comprising of as on the Appointed Date 2; and

- m) contingent rights or benefits, receivables, benefit of any deposits and financial assets, statutory reserve (i.e., tonnage tax reserve), provisions, funds etc. pertaining to the Transferor Company;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, or any statutory modification or re-enactment thereof from time to time.

## 2. INTERPRETATION

- 2.1. The expressions, which are used in this Scheme and not defined therein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961, Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, byelaws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.
- 2.2. References to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation.
- 2.3. The terms 'taxes', 'duty', 'cess' in the Scheme may be used interchangeably and reference to any one of them shall be deemed to include reference to the other.
- 2.4. Any reference to any statute or statutory provision shall include:
- (a) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted, or consolidated from time to time) and any retrospective amendment; and

(b) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

2.5. Words denoting the singular shall include the plural and words denoting any gender shall include all genders. Words of either gender shall be deemed to include all the other genders.

2.6. Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" or "effectiveness of the Scheme" shall be construed to be a reference to the Effective Date.

2.7. References to a document includes an amendment or supplement to, or replacement or novation of, that document. Further, in the event the parties enter into any definitive agreement in relation to this Scheme or any subject matter hereof, the provisions of such definitive agreement shall prevail and be binding on the parties.

2.8. Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.

2.9. The words "include" and "including" are to be construed without limitation.

2.10. The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified clauses of this Scheme, as the case may be.

2.11. Any reference to the Preamble, Recital, Clause or Schedule shall be a reference to the preamble, or recital, clause or schedule of this Scheme.

2.12. The recitals, Schedules and the Annexures hereto shall form an integral part of this Scheme.

### 3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by any appropriate authority shall take effect from the Appointed Date 1 and Appointed Date 2 and shall be operative from the Effective Date.

### 4. SHARE CAPITAL

4.1. The share capital of Four M(Transferor Company) as on 31<sup>st</sup> March, 2021 was as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
450,000 equity shares of Rs. 100 each	4,50,00,000
<b>Total</b>	<b>4,50,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
417,798 equity shares of Rs. 100 each	4,17,79,800
<b>Total</b>	<b>4,17,79,800</b>

Subsequent to 31<sup>st</sup> March, 2021, there have been no further allotments by the Transferor Company as on the date of approval of this Scheme by the Board of Directors.

4.2. The share capital of Buhari (Demerged Company) as on 31<sup>st</sup> March, 2021 was as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
10,00,000 equity shares of Rs. 100 each	10,00,00,000
<b>Total</b>	
<b>Issued, Subscribed and Paid-up Capital</b>	
947,802 equity shares of Rs. 100 each	9,47,80,200
<b>Total</b>	

Subsequent to 31<sup>st</sup> March, 2021, there have been no further allotments by the Demerged Company as on the date of approval of this Scheme by the Board of Directors.

- 4.3. The share capital of Intersea (Transferee Company / Resulting Company) as on 31<sup>st</sup> March, 2021 was as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
6,00,00,000 equity shares of Rs. 10 each	60,00,00,000
<b>Total</b>	<b>60,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
5,57,90,788 equity shares of Rs. 10 each	55,79,07,880
<b>Total</b>	<b>55,79,07,880</b>

Subsequent to 31<sup>st</sup> March, 2021, there have been no further allotments by the Transferee Company as on the date of approval of this Scheme by the Board of Directors.

**PART II- REDUCTION OF SHARE CAPITAL OF INTERSEA**

**5. REDUCTION AND REORGANISATION OF PAID-UP SHARE CAPITAL OF INTERSEA**

5.1. The issued, subscribed and paid-up equity share capital of Intersea shall stand reduced from Rs 55,79,07,880 (divided into 55,790,788 equity shares of Rs. 10 each) to Rs.39,11,19,210 (divided into 3,91,11,921 equity shares of Rs. 10 each) by cancelling equity share capital of Rs 16,67,88,670 divided into 1,66,78,867 equity shares of Rs. 10 each).

5.2. Intersea has significant accumulated losses which have adversely affected its networth. Hence in order to right-size the balance sheet and portray the true picture of the current financial position and networth, it is proposed that part of the paid-up equity share capital of Intersea shall be set off against the accumulated losses, to the extent envisaged in the manner provided in Clause 5.1 above.

5.3. The reduction of paid-up share capital of Intersea will be effected by way of cancellation of equity shares and there shall not be any repayment of capital to the shareholders of Intersea.

5.4. Consequent to adjustment as mentioned in Clause 5.1 above, the Authorised, Issued, Subscribed and Paid-up Capital of Intersea will be as under:

Particulars	Before reduction of equity share capital	After reduction of equity share capital
Authorized share capital:		
a) No. of shares	6,00,00,000 equity	6,00,00,000 equity
Amount	shares of Rs. 10 each amounting to Rs. 60,00,00,000	shares of Rs. 10 each amounting to Rs. 60,00,00,000

Particulars	Before reduction of equity share capital	After reduction of equity share capital
Issued, Subscribed and fully paid-up share capital:		
b) No. of shares	5,57,90,788 equity shares of Rs. 10 each	3,91,11,921 equity shares of Rs. 10 each
Amount	amounting to Rs. 55,79,07,880	amounting to Rs. 39,11,19,210
Accumulated Losses	Rs. 53,74,44,074	Rs. 38,08,55,408

5.5. The proposed reduction will be for the benefit of Intersea and its shareholders, creditors and all concerned as a whole. Such reduction will not cause any prejudice to the creditors of Intersea. The reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital.

5.6. The creditors of Intersea are in no way affected by the proposed reduction of the share capital. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of Intersea or the ability of Intersea to honour its commitments or to pay its debts in the ordinary course of business.

5.7. The reduction in share capital as contemplated in Clause 5.1 above shall be effected as an integral part of the Scheme without having to follow the process under Section 66 and all other applicable provisions of the Act. The consent of shareholders of Intersea to the Scheme shall be deemed to be their approval under the provisions of Section 66 and all other applicable provisions of the Act to such reduction of capital. The order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming such reduction and Intersea shall not be required to undertake any separate proceedings for such capital reduction.

5.8. The reduction of the equity share capital as above shall be deemed to be in accordance with the provisions of Sections 230 to 232 of the Act read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and other provisions of the Act confirming the arrangement and that the provisions of Section 66 of the Act read with the Rules related to capital reduction shall not be applicable in so far as conditions on Intersea to add to its name the words "and reduced".

#### **6. CANCELLATION OF SHARES**

Upon the Scheme becoming effective, the Physical Shares/Dematerialised shares of Intersea in relation to the shares held by its shareholders shall, to the extent of the capital reduction in proportion to their existing shareholding, without any further application, act, instrument or deed, be deemed to have been automatically cancelled with effect from Appointed Date 1.

#### **7. ACCOUNTING TREATMENT**

7.1. With effect from the Appointed Date 1 and upon the Scheme becoming effective, the amount of share capital extinguished as per Clause 5.1 shall be adjusted against the Accumulated Losses of Intersea, as specified in Clause 5.4 above.

7.2. Intersea will comply with all the relevant accounting policies and accounting standards as applicable to Intersea, in relation to the accounting for reduction of capital and correspondingly, reduction of accumulated losses of Intersea, as per applicable Accounting Standards and accounting treatment specified therein (to the extent applicable) pursuant to Section 133 of the Act and any other applicable provisions and laws for the time being in force.

7.3. Intersea will make and pass appropriate entries for all notional adjustments in a prudent and commercially acceptable manner.

**8. REDUCTION AND REORGANISATION OF PAID-UP SHARE CAPITAL OF FOUR M**

8.1. The issued, subscribed and paid up equity share capital of Four M shall stand reduced from Rs. 4,17,79,800 (divided into 417,798 equity shares of Rs. 100 each) to Rs. 2,41,02,000 (divided into 241,020 equity shares of Rs. 100 each) by cancelling the balance equity share capital amounting to Rs.1,76,77,800 (divided into 1,76,778 equity shares of Rs. 100 each) on account of exit of one of the shareholders of Four M. Such reduction shall take place by way of cancellation of equity shares held by Gulf Fertilizers and Chemicals Limited only, as appearing in the Register of Members of Four M on the Appointed Date 1.

8.2. The reduction of paid-up share capital of Four M will be effected by way of cancellation of equity shares and there shall not be any repayment of capital to Gulf Fertilizers and Chemicals Limited.

8.3. With a view to provide an exit opportunity to Gulf Fertilizers and Chemicals Limited, the proposed reduction of paid-up share capital of Gulf Fertilizers and Chemicals Limited is undertaken. Such reduction will not cause any prejudice to the remaining shareholders and creditors of Four M. The reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or payment to any shareholder of any paid-up capital. The creditors of Four M would in no way be affected by the proposed reduction of the share capital. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of Four M or the ability of Four M to honour its commitments or to pay its debts in the ordinary course of business.

8.4. The reduction in share capital as contemplated in Clause 8.1 above shall be effected as an integral part of the Scheme without having to follow the process under Section 66 and all other applicable provisions of the Act. The consent of shareholders of Four M to the Scheme shall be deemed to be their approval under the provisions of Section 66 and all other applicable provisions of the Act to such selective reduction of capital. The order of the Tribunal sanctioning this Scheme shall be deemed to be an order under

Section 66 of the Act confirming such reduction and Four M shall not be required to undertake any separate proceedings for such selective capital reduction.

8.5. The selective reduction of the equity share capital as above shall be deemed to be in accordance with the provisions of Sections 230 to 232 of the Act read with the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 and other provisions of the Act confirming the arrangement and that the provisions of Section 66 of the Act read with the Rules related to capital reduction shall not be applicable in so far as conditions on Four M to add to its name the words "and reduced".

#### 9. CANCELLATION OF SHARES

Upon the Scheme becoming effective, the share certificates of Four M in relation to the shares held by Gulf Fertilizers and Chemicals Limited shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled with effect from Appointed Date 1.

#### 10. ACCOUNTING TREATMENT

10.1. With effect from the Appointed Date 1 and upon the Scheme becoming effective, the amount of share capital extinguished as per Clause 8.1 shall be adjusted against the accumulated losses of Four M

10.2. Pursuant to the sanction of this Scheme, with effect from the Appointed Date 1 and upon the Scheme becoming effective, the share capital of Four M would be as under:

Particulars	Before selective reduction of equity share capital	After selective reduction of equity share capital
Authorized share capital:	450,000 equity shares of Rs. 100 each amounting to Rs. 4,50,00,000	450,000 equity shares of Rs. 100 each amounting to Rs. 4,50,00,000
c) No. of shares		
d) Amount		
Particulars	Before selective reduction of equity share capital	After selective reduction of equity share capital

Issued, Subscribed and fully paid-up share capital:	417,798 equity shares of Rs. 100 each amounting to Rs. 4,17,79,800	241,020 equity shares of Rs. 100 each amounting to Rs. 2,41,02,000
e) No. of shares		
f) Amount		
Accumulated Losses	INR 27,76,68,468	INR 25,99,90,668

10.3. Four M will comply with all the relevant accounting policies and accounting standards as applicable to Four M, in relation to the accounting for reduction of capital, as per applicable Accounting Standards and accounting treatment specified therein (to the extent applicable) pursuant to Section 133 of the Act and any other applicable provisions and laws for the time being in force.

10.4. Four M will make and pass appropriate entries for all notional adjustments in a prudent and commercially acceptable manner.

## PART IV

**AMALGAMATION OF FOUR M INTO INTERSEA AND DISSOLUTION WITHOUT  
WINDING UP OF FOUR M**

**11. TRANSFER AND VESTING OF THE UNDERTAKING OF FOUR M**

11.1. This Part of the Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the IT Act (including the allotment of shares to the shareholders of Four M as existing post the capital reduction in Part III of the scheme) of the Transferor Company as required by section 2(1B) of the IT Act. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(1B) of the IT Act, the provisions of Section 2(1B) of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the IT Act, such that the modification does not affect other parts of the Scheme.

11.2. Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, the Undertaking of Four M shall in accordance with section 2(1B) of the IT Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in Transferee Company, as a going concern, so as to become the undertaking of the Transferee Company by virtue of and in the following manner:

11.2.1. All assets of Transferor Company (Four M), as specified in Schedule I, that are movable in nature or are otherwise capable of transfer by physical or constructive delivery, novation and/ or endorsement and delivery or by operation of law, pursuant to the NCLT Order(s), shall be vested in Transferee Company. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of Transferee Company, absolutely and forever.

11.2.2. In respect of such of the assets of Transferor Company above, outstanding loans and advances, if any, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or in kind or for value to be received, deposits, if any, with Governmental Authorities and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in Transferee Company and/or be deemed to be transferred to and vested in Transferee Company on the Appointed Date 2 upon

effectiveness of the Scheme. Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

11.2.3. All the other assets, rights, title, interests and investments of the Transferor Company shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

11.3. Upon the Scheme coming into effect, all debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of Transferor Company shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, Transferee Company, so as to become on and from the Appointed Date 2, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of Transferee Company on the same terms and conditions as were applicable to Transferor Company, and further that it shall not be necessary to obtain the Consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause. Necessary modification, as may be required would be carried out to the debt instrument issued by Transferor Company.

11.4. Any statutory licenses, registrations, authorizations, statutory rights, permissions, Governmental Approvals, tax registrations, service tax, GST registrations, provident fund, Employees' State Insurance (ESI), or other registrations whether statutory or otherwise, no objection certificates, or any Consents to carry on the operations of Transferor Company shall stand transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated / facilitated by the statutory authorities concerned therewith in favour of Transferee Company so as to empower and facilitate the continuation of the operations of Transferee Company. In so far as the various incentives, service tax / Good and Service Tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of by Transferor Company are concerned, the same shall, without any further act or deed, vest with and be available to

Transferee Company on the same terms and conditions as are available to Transferor Company.

11.5. All registrations, licenses, trademarks, copyrights, domain names, applications for copyrights, trade-names and trademarks, etc. pertaining to Transferor Company, if any, shall stand vested in the Transferee Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate Governmental Authority or registrar), upon the sanction of the Scheme and upon this Scheme becoming effective.

11.6. All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, GST etc.) payable by or refundable to the Transferor Company with effect from the Appointed Date 2, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, etc. as the case may be, of the Transferor Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, service tax input credits, Good and Service Tax input credits etc., as would have been available to Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.

11.7. Any third party or Governmental Authority required to give effect to any provisions of this Scheme, shall take on record the NCLT Orders sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of Transferee Company as successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. For this purpose, Transferee Company shall file certified copies of such NCLT Order(s) and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, Consents, Exemptions, Registrations, No-objection certificates, Permits, Quotas, Rights, Entitlements, Licences (including the licences granted by any Governmental Authorities for the purpose of carrying on its

business or in connection therewith), and Certificates of every kind and description of whatsoever nature.

11.8. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all Consents, Permissions, Certificates, Clearances from authorities, Power of Attorneys given by, issued to or in favour of the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

11.9. The Transferee Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferee Company.

**12. LEGAL PROCEEDINGS**

Upon the coming into effect of this Scheme, if any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of Four M or anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not been made.

### 13. CONTRACTS, DEEDS, AND OTHER INSTRUMENTS

13.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible and which are subsisting or having effect on the Appointed Date 2, without any further act, instrument or deed, shall be in full force and effect against or in favour of Transferee Company, as the case may be, and may be enforced by or against Transferee Company as fully and effectively as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

13.2. Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Four M Undertaking occurs by virtue of this Scheme itself, Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which Transferor Company is a party as may be necessary to be executed in order to give formal effect to the above provisions. Transferee Company shall be deemed to be authorised to execute any such writings on behalf of Transferor Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of Transferor Company.

### 14. STAFF, EMPLOYEES & WORKMEN

14.1. Upon the coming into effect of this Scheme, employees of Transferor Company, if any, shall become the employees of Transferee Company 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.

14.2. Transferee Company agrees that the service of all employees of Transferor Company immediately prior to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in Transferor Company immediately prior to the Effective Date. Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal

benefits, such past service with Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

14.3. Upon the coming into effect of this Scheme, Transferee Company shall make all the necessary contributions for such transferred employees 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. Transferee Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of Transferor Company to the Transferee Company.

14.4. 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 the Transferor Company for its employees, shall be transferred to the necessary funds, schemes or trusts of Transferee Company and till the time such necessary funds, schemes or trusts are created by Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

## **15. WINDING UP**

Upon the Scheme becoming effective, Transferor Company shall stand dissolved without being wound-up.

## **16. CONSIDERATION**

16.1. Upon coming into effect of this Scheme, the Transferee Company shall without any further application, act, instrument or deed, but subject to necessary approvals, if any, issue and allot equity shares, credited as fully paid-up, to the extent indicated below, to the shareholders of the Transferor Company, beneficially holding fully paid-up equity shares in the Transferor Company respectively, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or their successors in title, as may be recognized by the Board of the Transferor Company in the following proportion, on the basis of the valuation report and swap Ratio report dated 19<sup>th</sup> November 2021 issued by Mr. Ramji Mahadevan, Chartered Accountant and

Registered Valuer duly approved by the Board of the Transferor Company and the Transferee Company

**16.2. Four M Merger Share Swap Ratio**

*26 fully paid Equity shares of face value of Rs.10/- each of Intersea for every 1 equity share of Rs.100/- each held by shareholders in Four M, which translates into 62,66,520 (Sixty-Two Lakhs Sixty-Six Thousand Five Hundred and Twenty Only) Equity shares of Rs. 10 Each ("Four M Merger Shares") under the Scheme.*

16.3. The Four M Merger Shares issued pursuant to Clause 16.2 above, shall be issued to the shareholders of the Transferor Company in demat form, that is, dematerialized shares.

16.4. In case any shareholder's holding in Transferor Company is such that such shareholder becomes entitled to a fraction of Four M Merger Shares, the Transferee Company shall not issue fractional share certificates to such shareholders. Any fraction equal to or more than 0.5 arising out of such allotment shall be rounded off to the next higher integer and fraction less than 0.5 shall be rounded off to the earlier lower integer.

16.5. The Four M Merger Shares issued and allotted by the Transferee Company, in terms of Clause 16.2 above, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu in all respects with the then existing equity shares of the Transferee Company. Further, the Transferee Company shall, if required, take all necessary steps for increase of authorized share capital for issue of the Four M Merger Shares pursuant to Clause 16.2 above.

16.6. Upon the Scheme becoming effective and upon the Four M Merger Shares being issued and allotted as provided in this Scheme, the equity shares of the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, the Transferee Company may, instead of requiring the surrender of the

share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company.

16.7. It is clarified that upon the approval of this Scheme by the shareholders of the Transferee Company and Transferor Company under Sections 230 and 232 of the Act, the shareholders shall be deemed to have approved this Scheme under Sections 13, 14, 42, 62, 186, 188 and any other applicable provisions under the Act, and that no separate approval from the shareholders to that extent shall be required to be sought by the parties for the matters specified in this Scheme.

#### **17. ACCOUNTING TREATMENT**

17.1. Upon the Scheme coming into effect and with effect from Appointed Date 2, the amalgamation of the Transferor Company with Intersea shall be accounted as per the Purchase method of accounting specified in Accounting Standard 14 issued by the Institute of Chartered Accountants of India.

17.2. The difference between the consideration issued in the form of equity shares and the value of assets and liabilities recorded in the scheme shall be debited to goodwill or credited to capital reserve, as the case may be, as specified in Accounting Standard 14 issued by the Institute of Chartered Accountants of India.

17.3. In case of any differences in accounting policy between Intersea and Four M, a uniform set of accounting policies shall be adopted following the amalgamation and the effects on the financial statements of any changes in accounting policies shall be dealt with in accordance with the manner specified in Accounting Standard 14 issued by the Institute of Chartered Accountants of India."

#### **18. CONSOLIDATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY**

18.1. The authorised share capital of Transferor Company shall stand transferred to and combined with the authorised share capital of Transferee Company and shall be re-

classified without any further act or deed. The filing fees and stamp duty, if any, paid by the Transferor Company on its authorised share capital, shall be adjusted against the fees, if any, to be paid by Intersea on the combined authorised share capital. The resolution approving the Scheme shall be deemed to be the approval of increase and re-classification in the authorised share capital of Transferee Company under Sections 13, 14 and 61 of the Act and other applicable provisions of the Act.

18.2. Clause V of the Memorandum of Association of Transferee Company and relevant clause, if any, of Articles of Association of Transferee Company relating to authorised share capital shall respectively, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14 and 61 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be. The Clause V of the Memorandum of Association of Intersea, as on the Effective Date, shall read as under:

"The Authorised share capital of the Company is INR 64,50,00,000 (Rupees Sixty Four Crores Fifty Lakhs only) divided into 6,45,00,000 (Six Crore Forty Five Lakhs only) Equity Shares of INR 10/- (Rupees Ten) each."

18.3. The alteration of the authorised share capital as aforesaid in clause 18.2, shall be effected as a part of the Scheme only and approval/consent to the Scheme by shareholders of Intersea and NCLT shall be deemed to be due compliance of the relevant provisions of the Act for alteration of the share capital clause in the Memorandum of Association and Articles of Association of Intersea.

## 19. TREATMENT OF TAXES

19.1. On or after the Effective Date, the Transferor Company and the Transferee Company are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures and including tax deducted at source (TDS) certificates / returns under the IT Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Wealth-tax Act, 1957, Central Goods and Services Tax Act, 2017, applicable State Goods and Services

Tax Act, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, and other tax laws, and to claim refunds, advance tax credits, MAT credits, credit of tax deducted at source and tax collected at source, excise and service credits, GST credits etc., and to claim tax benefits etc. on the basis of the accounts of the Transferor Company as vested with Transferee Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

19.2. Any tax liabilities under the IT Act, Wealth-tax Act, 1957, Central Goods and Services Tax Act, 2017, applicable State Goods and Services Tax Act, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, customs duty laws, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date 2 shall be transferred or stand transferred to the Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax, tax deducted at source and tax collected at source as on the date immediately preceding the Appointed Date 2 will also be transferred or to the account of the Transferee Company.

19.3. Any refund under the IT Act, Wealth-tax Act, 1957, Central Goods and Services Tax Act, 2017, applicable State Goods and Services Tax Act, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, Central Sales Tax Act, 1956, customs duty laws, applicable state value added tax laws, service tax laws, excise duty laws or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date 2 shall also belong to and be received by the Transferee Company.

19.4. All taxes including income-tax, minimum alternate tax, goods and services tax, etc. paid or payable by the Transferor Company in respect of the operations and/ or the

profits of the business before the Appointed Date 2, shall be on account of the Transferor Company and in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, sales tax, excise duty, custom duty, value added tax etc.) whether by way of deduction at source, advance tax or otherwise howsoever, made by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date 2, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source or tax collected at source by the Transferor Company on payables to the Transferee Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

19.5. Upon the Scheme coming into effect, any taxes paid under the indirect tax laws such as Service tax Law, Excise Law, Customs Law, Value Added Tax Act (prevalent in respective state), GST or any other tax / duties (whether central or state), arising out of the transactions entered into between the Transferor Company and the Transferee Company post the Appointed Date 2 shall on and from the effective date be refunded to the Transferee Company, or in cases where in respect of the inter-company transactions, the Transferor Company / Transferee Company has availed credit of the taxes charged, the Transferee Company at its option may not seek for refund and can choose to retain the same as a GST credit subject to the rules and regulations under the respective indirect tax laws.

19.6. Without prejudice to the generality of the above, all benefits, incentives, accumulated losses (including but not limited to book losses or tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation, income tax, minimum alternate tax, tax deducted at source, tax collected at source, wealth tax, goods and services tax, applicable state value added tax, customs duty drawback, etc.) to which the Transferor Company is entitled to, in accordance with the provisions of the IT Act, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.

**20. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

With effect from the date of Appointed date 2 and up to and including the Effective Date:

20.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all their properties and assets for and on account of and / or on behalf of and / or for the benefit of and / or in trust for the Transferee Company. Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company, shall be deemed to have been exercised for and on behalf of the Transferee Company. Further, any of the obligations, duties and commitments attached, relating or pertaining to or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of the Transferee Company. The Transferor Company undertakes to hold its said assets with utmost prudence until the Effective Date.

20.2. The Transferor Company shall carry on its business and activities, with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company, as applicable, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or part, pertaining to the Transferor Company.

20.3. The Transferor Company shall be deemed to be carrying out the activities of sale and acquisition of ship(s) or other assets on behalf of the Transferee Company from Appointed Date 2. The amalgamation shall not be regarded as violation of the conditions for utilization of tonnage tax reserve under section 115VT of the IT Act as the Transferor Company undertakes the business activities on behalf of the Transferee Company from Appointed Date 2.

20.4. All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company, on or after the Appointed Date 2, shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Transferee Company.

20.5. The Transferor Company shall not vary the terms and conditions of employment of any of their employees, except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be, prior to the Appointed Date 2.

20.6. The Transferor Company and the Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

20.7. With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business carried on by the Transferor Company in addition to the business of the Transferee Company respectively.

20.8. As and from the date of approval of this Scheme by the Boards of the Transferor Company and the Transferee Company and till the Effective Date, other than in the ordinary course of business, the Transferor Company shall not alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof without the prior written consent of the Board of Transferee Company.

20.9. As and from the date of approval of this Scheme by the Boards of the Transferor Company and the Transferee Company and till the Effective Date, the Transferor Company shall not, without the prior consent of Transferee Company, undertake any new business or a substantial expansion of its existing business.

20.10. Without prejudice to the above, the Transferor Company and the Transferee Company, from the date of filing this Scheme with the NCLT up to the Effective Date, shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares or otherwise), decrease, reduction, reclassification, sub-division or consolidation, reorganization, or in any other manner which may, in any way, affect the commercials of the transaction contemplated herein except by mutual consent of the respective Board of the Transferor Company and the Transferee Company.

20.11. As and from the date of acceptance of this Scheme by the Boards of the Transferor Company and the Transferee Company and till the Effective Date, the Transferor Company and the Transferee Company shall co-operate with each other in a mutually agreeable, commercially reasonable and lawful arrangement and the Transferor Company shall use commercially reasonable efforts to, where required, pursuant to applicable law or considered as being reasonably prudent, file applications to governmental authorities for relevant governmental authorization or for approval of a court of law, Tribunal or any other authorization, approval, consent or waiver of a third party (if applicable), in the name of and for the benefit of the Transferee Company.

#### **21.SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of the Scheme, the transfer and vesting of the Undertaking of Four M and continuance of proceedings by or against the Transferee Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Transferor Company before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company in relation to the Undertaking of Four M as acts, deeds and things done and executed by and on behalf of the Transferee Company.

**PART V- DEMERGER OF SHIPPING BUSINESS OF BUHARI INTO INTERSEA**

**22. TRANSFER AND VESTING OF DEMERGED UNDERTAKING OF DEMERGED COMPANY**

22.1. The provisions of this Part of the Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the IT Act. If any terms or provisions of this Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the IT Act, at a later date including or resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the IT Act shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act. Such modifications will, however, not affect the other parts of this Scheme.

22.2. With effect from the Appointed Date 2, the Demerged Undertaking shall stand transferred to and vested in and/ or deemed to be transferred to and vested in the Resulting Company, as the case may be, as a going concern in the following manner:

22.2.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date 2, subject to the provisions of this Scheme, the Demerged Undertaking shall, under the provisions of Sections 230 to 232 of the Act and also in accordance with Section 2(19AA) of the IT Act and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred on a going concern basis to and vested in and / or deemed to be transferred to and vested in the Resulting Company, so as to vest in the Resulting Company all the rights, title and interest pertaining to the Demerged Undertaking.

22.2.2. In respect of such of the assets of the Demerged Undertaking as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by the Demerged Company to the Resulting Company, upon the coming into effect of this Scheme, without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Resulting Company, absolutely and forever.

22.2.3. In respect of the movable assets other than those dealt with in Clause 22.2.2.

above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Governmental Authority and any other authorities and bodies and/or customers, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any Person so that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company. The Resulting Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

22.2.4. All the other assets, rights, title, interests and investments of the Demerged Company in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.

22.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, Governmental 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 the Demerged Company pertaining to the Demerged Undertaking, shall be transferred to and vested in the Resulting Company.

22.4. In so far as various incentives, subsidies, exemptions, special status, service tax benefits, GST input credits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of by the Demerged Company 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 the Resulting Company on the same terms and conditions, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

22.5. Any third party or Governmental Authority required to give effect to any provisions of this Scheme, shall take on record the NCLT Orders sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of Resulting Company as successor in interest with respect to the Demerged Undertaking, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. For this purpose, Resulting Company shall file certified copies of such NCLT Order(s) and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, Consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences (including the licences granted by any Governmental Authorities for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature with respect to the Demerged Undertaking.

22.6. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities of the Demerged Company pertaining to the Demerged Undertaking shall without any further act, instrument or deed be and stand transferred to the Resulting Company and shall thereupon become the debts, duties, obligations and liabilities of the Resulting Company and it shall not be necessary to obtain the Consent of any third party or other Person, who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this Clause.

22.7. The transfer and vesting of the Demerged Undertaking, as aforesaid shall be subject to the existing securities, charges, mortgages and other Encumbrances, if any, subsisting over in respect of the property and assets or any part thereof relating to the Demerged Undertaking.

22.8. The Resulting Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement pertaining to the Demerged Undertaking in relation to which Demerged Company have been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions.

### 23. CONSIDERATION

23.1. Upon the coming into effect of this Scheme, the Resulting Company shall, without any further application, act, instrument or deed, but subject to necessary approvals, if any, be granted, issue and allot equity shares, credited as fully paid-up, to the extent indicated below, to the shareholders of the Demerged Company, beneficially holding fully paid-up equity shares in the Demerged Company respectively, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or their successors in title, as may be recognized by the Board of the Demerged Company in the following proportion, on the basis of the valuation report dated 19<sup>th</sup> November 2021 issued by Mr. Ramji Mahadevan, Chartered Accountant and Registered Valuer issuing such report approved by the Board of Buhari and the Resulting Company (value of the "Demerged Undertaking")

#### 23.2. Demerger Shares

The shareholders of the Demerged company are entitled to receive 113,73,624 equity shares of Rs 10/- each in the Resulting company in proportion to their shareholding in the Demerged company in demat form, that is, Dematerialised shares.

23.3. In case any shareholders' holding in Demerged Company is such that such shareholder becomes entitled to a fraction of a Demerger Share, the Resulting Company shall not issue fractional share certificates to such shareholders. Any fraction equal to or more than 0.5 arising out of such allotment shall be rounded off to the next higher integer and fraction less than 0.5 shall be rounded off to the earlier lower integer.

23.4. The Demerger Shares issued and allotted by the Resulting Company, in terms of Clause 22.2 above, shall be subject to the provisions of the Memorandum and Articles of

Association of the Resulting Company and shall rank pari passu in all respects with the then existing equity shares of the Resulting Company. Further, the Resulting Company shall, if required, take all necessary steps for increase of authorized share capital for issue of Demerger Shares pursuant to Clause 22.2 above.

23.5. It is clarified that upon the approval of this Scheme by the shareholders of the Demerged Company and Resulting Company under Sections 230 and 232 of the Act, the shareholders shall be deemed to have approved this Scheme under Sections 13, 14, 42, 62, 186, 188 and any other applicable provisions under the Act and that no separate approval from the shareholders to that extent shall be required to be sought for the matters specified in this Scheme.

#### **24. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

24.1. Upon the Scheme coming into effect from the Appointed Date 2, the accounts representing the assets and liabilities of the Demerged Undertaking, as provided in Schedule II, shall stand closed on transfer to the Resulting Company, including the corporate loans, term loans, advances and borrowings relatable or pertaining to the Demerged Undertaking which will be transferred in entirety to the Resulting Company in accordance with the provisions of this Scheme. The Demerged Company will reduce in its books of accounts, the book value of assets and liabilities pertaining to the Demerged Undertaking transferred to the Resulting Company.

24.2. The assets and the liabilities of the Demerged Undertaking being transferred to the Resulting Company shall be at values appearing in books of account of Demerged Company on the Appointed Date 2.

24.3. The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be adjusted with the reserves of the Company.

## **25. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY**

25.1. Upon the Scheme coming into effect and with effect from Appointed Date 2, the Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking at their respective book values as appearing in Buhari's books as at the Appointed Date 2.

25.2. The difference between the consideration issued in the form of equity shares and the value of assets and liabilities recorded pursuant to the clause mentioned above, shall be debited to Goodwill or credited to Capital Reserve as the case may be.

25.3. In case of any differences in accounting policy between Intersea and Buhari, a uniform set of accounting policies shall be adopted and the effects on the financial statements of any changes in accounting policies shall be dealt with in accordance with the relevant accounting standard."

## **26. CONTRACTS, DEEDS, AND OTHER INSTRUMENTS**

26.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect on the Appointed Date 2, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Resulting Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectively as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

26.2. Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Demerged Company is a party as may be necessary to be

executed in order to give formal effect to the above provisions. Resulting Company shall be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Demerged Company.

#### **27.LEGAL PROCEEDINGS**

27.1.All legal proceedings of whatsoever nature by or against Buhari pending and / or arising before the Effective Date and relating to the Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in the Scheme but shall be continued and enforced by or against Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued or enforced by or against Buhari.

#### **28.STAFF, EMPLOYEES & WORKMEN**

28.1.Upon the coming into effect of this Scheme, all the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, if any, shall become the employees of Resulting Company 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.

28.2.Resulting Company agrees that the service of all employees engaged in or in relation to the Demerged Undertaking immediately prior to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in Demerged Company immediately prior to the Effective Date. Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

28.3.Upon the coming into effect of this Scheme, Resulting Company shall make all the necessary contributions for such transferred employees engaged in or in relation 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. Resulting Company will also file relevant intimations to the statutory authorities concerned who shall take the same on record and substitute the name of Resulting Company for Demerged Company.

28.4. 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 Demerged Company for employees engaged in or in relation to the Demerged Undertaking, shall be transferred to the necessary funds, schemes or trusts of Resulting Company and till the time such necessary funds, schemes or trusts are created by Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Demerged Company.

#### **29. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking and continuance of proceedings by or against the Resulting Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Demerged Company before the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company in relation to the Demerged Undertaking as acts, deeds and things done and executed by and on behalf of the Resulting Company.

#### **30. REMAINING BUSINESS**

30.1. The Remaining Business of the Demerged Company and all the assets, liabilities and obligations pertaining thereto (including without limitation any liabilities arising on account of any regulatory and/ or governmental investigations and/ or actions involving or in relation to the Remaining Business of the Demerged Company) shall continue to belong to and be vested in and be managed by the Demerged Company.

30.2. All legal or other proceedings (whether civil or criminal including before any governmental authority) by or against the Demerged Company under any applicable laws whether pending on Effective Date or which may be instituted at any time, and in each case relating to the liability, obligation or duties of the Demerged Company in

respect of the Remaining Business shall be continued and enforced, solely after the Effective Date, by or against the Demerged Company only.

30.3. The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining Business in their own name and on their own account.

### 31. TREATMENT OF TAXES

31.1. On or after the Effective Date, the Demerged Company and the Resulting Company are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures and including tax deducted at source (TDS) certificates / returns under the IT Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Wealth-tax Act, 1957, Central Goods and Services Tax Act, 2017, applicable State Goods and Services Tax Act, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, Central Sales Tax Act, 1956, applicable state value added tax laws, service tax laws, excise duty laws, and other tax laws, and to claim refunds, advance tax credits, MAT credits, credit of tax deducted at source and tax collected at source, excise and service credits, GST credits etc., and to claim tax benefits etc. on the basis of the accounts of the Demerged Undertaking of Buhari as vested with Resulting Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

31.2. Any tax liabilities under the IT Act, Wealth-tax Act, 1957, Central Goods and Services Tax Act, 2017, applicable State Goods and Services Tax Act, Central Sales Tax Act, 1956, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, customs duty laws, applicable state value added tax laws, service tax laws, excise duty laws, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Demerged Undertaking of the Demerged Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date 2 shall be transferred or stand transferred to the Resulting Company. Any surplus in the provision for taxation / duties/ levies account including advance tax, tax deducted at

source and tax collected at source as on the date immediately preceding the Appointed Date 2 will also be transferred or to the account of the Resulting Company.

31.3. Any refund under the IT Act, Wealth-tax Act, 1957, Central Goods and Services Tax Act, 2017, applicable State Goods and Services Tax Act, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, Central Sales Tax Act, 1956, customs duty laws, applicable state value added tax laws, service tax laws, excise duty laws or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of the Demerged Undertaking of the Demerged Company consequent to the assessment made on the Demerged Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date 2 shall also belong to and be received by the Resulting Company.

31.4. All taxes including income-tax, minimum alternate tax, goods and services tax, sales tax, excise duty, custom duty, service tax, value added tax, Goods and Services Tax, etc. paid or payable by the Demerged Company (to the extent it relates to the Demerged Undertaking) in respect of the operations and/ or the profits of the business before the Appointed Date 2, shall be on account of the Demerged Company and in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax etc.) whether by way of deduction at source, advance tax or otherwise howsoever, made by the Demerged Company in respect of the profits or activities or operation of the business after the Appointed Date 2, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source or tax collected at source by the Demerged Company (to the extent related to the Demerged Undertaking) on payables to the Resulting Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

31.5. Upon the Scheme coming into effect, any taxes paid under the indirect tax laws such as Service tax Law, Excise Law, Customs Law, Value Added Tax Act (prevalent in respective state), GST or any other tax / duties (whether central or state), arising out

of the transactions entered into between the Demerged Company and the Resulting Company post the Appointed Date 2 shall on and from the effective date be refunded to the Resulting Company, or in cases where in respect of the inter-company transactions, the Demerged Company / Resulting Company has availed credit of the taxes charged, the Resulting Company at its option may not seek for refund and can choose to retain the same as a CENVAT Credit / VAT credit / GST credit subject to the rules and regulations under the respective indirect tax laws.

31.6. Without prejudice to the generality of the above, all benefits, incentives, accumulated losses (including but not limited to book losses or tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation, income tax, minimum alternate tax, tax deducted at source, tax collected at source, wealth tax, goods and services tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which the Demerged Company (in relation to the Demerged Undertaking) is entitled to, in accordance with the provisions of the IT Act, shall be available to and vest in the Resulting Company, upon this Scheme coming into effect.

## **32. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE**

With effect from the date of Appointed date 2 and up to and including the Effective Date:

32.1. The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities, pertaining to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all their properties and assets for and on account of and / or on behalf of and / or for the benefit of and / or in trust for the Resulting Company. Any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Undertaking and exercised by or available to the Demerged Company, shall be deemed to have been exercised for and on behalf of and as an agent for Resulting Company. Further, any of the obligations, duties and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for

Resulting Company. The Demerged Company undertakes to hold its said assets with utmost prudence until the Effective Date.

32.2. The Demerged Company shall carry on its business and activities, pertaining to the Demerged Undertaking, with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Resulting Company, as applicable, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or part, pertaining to the Demerged Undertaking.

32.3. The Demerged Company shall be deemed to be carrying out the activities of sale and acquisition of ship(s) or other assets pertaining to the Demerged Undertaking on behalf of the Resulting Company. The demerger shall not be regarded as violation of the conditions for utilization of tonnage tax reserve under section 115VT of the IT Act as the Demerged Company undertakes the business activities on behalf of the Transferee Company from Appointed Date 2.

32.4. All the profits or income accruing or arising to the Demerged Undertaking or expenditure or losses arising or incurred or suffered by the Demerged Undertaking, post the Appointed Date 2, shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.

32.5. The Demerged Company and the Resulting Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

32.6. With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the business carried on by the Demerged Undertaking in addition to the business of the Resulting Company respectively.

32.7. As and from the date of approval of this Scheme by the Boards of the Demerged Company and the Resulting Company and till the Effective Date, other than in the ordinary course of business, the Demerged Company shall not alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof of the

Demerged Undertaking without the prior written consent of the Board of Resulting Company.

32.8. As and from the date of approval of this Scheme by the Boards of the Demerged Company and the Resulting Company and till the Effective Date, the Demerged Company shall not, without the prior consent of Resulting Company, undertake any new business or a substantial expansion of its existing business in the Demerged Undertaking.

32.9. Without prejudice to the above, the Demerged Company and the Resulting Company, from the date of filing this Scheme with the NCLT up to the Effective Date, shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares or otherwise), decrease, reduction, reclassification, sub-division or consolidation, reorganization, or in any other manner which may, in any way, affect the commercials of the transaction contemplated herein except by mutual consent of the respective Board of the Demerged Company and the Resulting Company.

32.10. As and from the date of acceptance of this Scheme by the Boards of the Demerged Company and the Resulting Company and till the Effective Date, the Demerged Company and the Resulting Company shall co-operate with each other in a mutually agreeable, commercially reasonable and lawful arrangement and the Demerged Company shall use commercially reasonable efforts to, where required pursuant to applicable law or considered as being reasonably prudent, file applications to governmental authorities for relevant governmental authorization or for approval of a court of law, Tribunal or any other authorization, approval, consent or waiver of a third party (if applicable), in the name of and for the benefit of the Resulting Company.

**PART VI- GENERAL TERMS AND CONDITIONS**

**33. APPLICATION TO THE NCLT OR SUCH OTHER COMPETENT AUTHORITY**

The Demerged Company, Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications and petitions and Memos, Affidavits and documents as may be required and relevant from time to time, under Section 230 to 232 and other applicable provisions of the Act to the NCLT for seeking approval of this Scheme.

**34. MODIFICATION / AMENDMENT TO THE SCHEME**

34.1. Subject to approval of the NCLT, the Demerged Company, Transferor Company and/or the Transferee / Resulting Company, through their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and /or any other statutory or regulatory authority or other stakeholders may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Transferor Company's, Demerged Company's Board and the Transferee / Resulting Company's Board be and is hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any statutory or regulatory authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith and to do all acts, deeds, matters and things and take all such steps as may be necessary, desirable or expedient for putting the Scheme into effect.

34.2. For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Company and Transferee Company may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

34.3. In the event of any of the conditions imposed by the Tribunal or other authorities, which the Demerged Company, Transferor Company and/or the Transferee / Resulting

Company may find unacceptable for any reason, or if found desirable or proper by the Board of Directors of Demerged Company, Transferor Company and Transferee / Resulting Company, then the Demerged Company, Transferor Company and/or the Transferee / Resulting Company are at liberty to withdraw the Scheme either in whole or in part.

**35. CONDITIONALITY OF THE SCHEME** The Scheme is conditional upon and subject to the following:

35.1. The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and / or creditors (wherever applicable) of the Demerged Company, Transferor Company and the Transferee Company or dispensing the meetings, as may be directed by the NCLT;

35.2. The sanction of the Scheme by NCLT under the provisions of Sections 230 to 232 of the Act in favour of the Demerged Company, Transferor Company and the Transferee Company, as the case may be, under the said provisions and to the necessary order sanctioning the Scheme being obtained;

35.3. The certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Demerged Company, Transferor Company and the Transferee Company, respectively;

35.4. The scheme shall come into effect, chronologically, in the following sequence chronologically:

35.4.1. Reduction of share capital of Intersea;

35.4.2. Selective Capital Reduction of Four M;

35.4.3. Amalgamation of Four M into Intersea without winding up of Four M; and

35.4.4. Demerger of Shipping Business of Buhari into Intersea.

35.5. Each Part of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. Each Part is independent of the other Part(s) of the

Scheme and is severable. The Scheme shall be effective upon sanction of the Tribunal. However, failure of any one Part for lack of necessary approval from the shareholders / creditors / statutory or regulatory authorities or for any other reason that the Board may deem fit, shall not result in the whole Scheme failing. It shall be open to the concerned Board to consent to sever such Part(s) of the Scheme and implement the rest of the Scheme with such modification.

**36.EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTION**

36.1. In the event of any of the said sanctions and approvals referred to in the scheme not being obtained and/ or the Scheme not being sanctioned by NCLT, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

36.2. The Boards of Directors of the Demerged Company, Transferor Company and the Transferee / Resulting Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on the Demerged Company, Transferor Company and/ or the Transferee / Resulting Company.

**37.BINDING EFFECT**

Upon the Scheme becoming effective, the same shall be binding on the Demerged Company, Transferor Company and the Transferee / Resulting Company and all concerned parties without any further act, deed, matter or thing.

**38.COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne by the Transferee Company.

**39. MISCELLANEOUS**

If any part of this Scheme hereof is invalid, ruled illegal by any Tribunal, Court of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties to the Scheme 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 any party, in which case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for such parties the benefits and obligations of the Scheme, including but not limited to such part.

**SCHEDULE I (List of assets of Four M)**

Following are the lists of the assets (Apart from furnitures, electronics& Motor Vehicles)of the Transferor Company as on the date of approval of the Scheme by the Board of Directors of Transferor Company that are owned or being used by the Transferor Company, The list below is indicative and shall not be deemed to be exhaustive:

S.No	Description of Asset	Details
1	Ship	Vessel : MV Gem of Ennore Type: Panamax ; Bulk Carrier IMO 9206009 Indian Register of Shipping (IR class); Year of Build : 2000; Builder/ Yard :Hitach Zosen - Maizuru Gross Tonnage/ Net Tonnage: 39749/ 25192

**SCHEDULE II**

**(LIST OF ASSETS OF BUHARI)**

Following are the lists of the assets of the Demerged Undertaking as on the date of approval of the Scheme by the Board of Directors of Demerged Company that are owned or being used by the Demerged Company as asset of Demerged Undertaking, The list below is indicative and shall not be deemed to be exhaustive:

S.No	Description of Asset	Details
1	Ship	Vessel : MV Gem of Ennore Type: Panamax ; Bulk Carrier IMO 9206009 Indian Register of Shipping (IR class); Year of Build : 2000; Builder/ Yard :Hitach Zosen - Maizuru Gross Tonnage/ Net Tonnage: 39749/ 25192

**BACKGROUND OF THE COMPANY****FOUR M MARITIME PRIVATE LIMITED**

- i. The Transferor Company was originally incorporated as a private limited company under the Companies Act 1956 in the State of Tamil Nadu on 11<sup>th</sup> January, 1999 under the name and style of "Four M Holdings Private Limited". The name of the transferor company was changed to 'Four M Maritime Private Limited, with effect from 17<sup>th</sup> September 2001..
- ii. The Registered Office of FOUR M is situated at Buharia Towers, Sixth Floor, No.4, Moores Road, Chennai- 600006.
- iii. The e-mail id of FOUR M is [fewaccts@gmail.com](mailto:fewaccts@gmail.com)
- iv. The CIN of the FOUR M is U65993TN1999PTC041716
- v. The Permanent Account Number of FOUR M is AAACF6163E
- vi. The main objects of FOUR M as set out in the Memorandum of Association are as under:
  1. *To undertake and carry out the business of shippers, ship owners, ship builders, ship repairers, ship dealers, ship managers, ship brokers, shipping agents, ship charterers, marine consultants, carry on business as importers and / or exporters of services, goods or merchandise of any description and to act as shippers, underwriters, commission agents, advertising agents, travelling agents, transport agents, forwarding and clearing agents, brokers, estate agents, and hardware merchants, and to purchase, hire, charter, build, construct, or otherwise acquire and to own, work, manage, trade in ships and vessels.*
  2. *To own and operate barges, tugs, vessels, cranes, crafts of every description and carriers of goods by water, and properties such as wharfs, jetties, docks; to engage in the business of unloading cargo from mother vessels into daughter vessels and barges, and carrying to the shore and transferring cargo from ship to ship and to act as co-owners of such properties, assets, objects inclusive of beneficial and ostensible ownership either in full or in part.*
  3. *To invest in entities engaged in ship owning, ship chartering, ship management, ship building and repairing, irrespective of whether such entities or bodies corporate, partnership firms, associations or any other form of legal activity*

- vii. The authorised, issued, subscribed and paid-up share capital of FOUR M as on 31<sup>st</sup> March, 2021 is as under:

Particulars	Amount in INR
<b><u>Authorised Capital</u></b>	
450,000 equity shares of INR 100 each	45,000,000
<b>Total</b>	<b>45,000,000</b>
<b><u>Issued, Subscribed and Paid up Capital</u></b>	
417,798 equity shares of INR 100 each	41,779,800
<b>Total</b>	<b>41,779,800</b>

Subsequent to 31st March 2021, there have been no further allotments by the Transferor Company as on the date of approval of this Scheme by the Board of Directors.

There has been no change in objects of FOUR M during the last 5 years. The name of FOUR M has been changed from Four M Holdings Private Limited to "Four M Maritime Private Limited with effect from 17<sup>th</sup> September 2001. There has been a revision in the Articles of Association of the Company on 22<sup>nd</sup> May 2019 where clause 3(f) relating to Further issue of share capital was inserted.

**BACKGROUND OF THE COMPANY****BUHARI HOLDINGS PRIVATE LIMITED**

- i. The Demerged Company was originally incorporated as a private limited company under the Companies Act 1956 in the State of Tamil Nadu on 08 March 1989 under the name and style of 'Buharia Holdings Private Limited'. The name of the Demerged Company was changed to 'Buhari Holdings Private Limited' with effect from 28<sup>th</sup> May 2004 and has its registered office situated at No. 4, Moores Road, Nungambakam Chennai 600006. It is engaged in the business of owning and operating ships; it is also engaged in real estate business.
- ii. The Registered Office of BUHARI is situated at No. 4, Moores Road, Nungambakam Chennai 600006.
- iii. The e-mail id of BUHARI is [corporate@buhariholding.com](mailto:corporate@buhariholding.com)
- iv. The CIN of the BUHARI is U45201TN1989PTC017001
- v. The Permanent Account Number of BUHARI is AAACB2679M
- vi. The main objects of BUHARI as set out in the Memorandum of Association are as under:
  1. *To purchase, acquire, take on lease, or in exchange or in any other lawful manner any area, land buildings, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets, or other buildings, or conveniences thereon and to equip the same or any part thereof with all or any amenities or conveniences, drainage facility, electric, telegraphic, telephonic, television installations and to deal with the same in any manner installations and to deal with the same in any manner whatsoever, and to carry on the business of builders, contractors, engineers (Mechanical, electrical, electronic, canal civil, irrigation, radio and in all its branches).*
  2. *To layout, develop, build, erect, demolish, re-erect, alter, repair, remodel or do any other work in connection with any building or building scheme, roads, springs, series, dams, power plants, bours, wharves, ports, reservoirs, embankments, sanitary, water, gas, electric light, telephonic, telegraphic and power supply works, or any other structural or architectural work of any kind whatsoever and for such purpose to prepare estimate, designs, plans, specification or models and do such other or any act that may be requisite therefor*
  3. *To acquire and deal in any and every kind of articles and products and materials used for building or allied objects, whether for company's own use or for sale and disposal as may be conducive to the carrying on of the objects of the company or*

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*that may assist the company in any other manner. To buy, sell and deal in all and every kind or manufactured, raw or manufactured iron, steel, wood, brick, cement, ceramic, granite, limestone or other stone or material and other products and by products and for such purpose to acquire, take on lease or in exchange or otherwise any or part of forests, mining leases, undertaking, lands, buildings, or properties. To purchase or otherwise acquire any patent right, letters-patent, processes, devices, inventions, trademarks, formulae good-will and other rights and to deal with, dispose of the same in any manner whatsoever.*

- 4. To carry on the business of Investment company and to invest in and acquire and hold and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture stocks, bonds obligations and securities issued or guaranteed by any Government, State Dominion, Sovereign, Ruler, Commissioner, Public body or authority supreme, municipal, local or otherwise, whether in India or elsewhere.*
- 5. To carry on business of housing finance company, financing of the acquisition or construction of houses or buildings including the acquisition or development of plots of land.*
- 6. To undertake and carry on the business of financing, hire-purchase contracts relating to property or assets of any description either fixed or movable and in particular relating to property of assets Houses, lands, Governments bonds, goods, chattels, motor cars, motor buses, motor lorries, auto rickshaws, minibuses, tricycles, scooters, bicycles, unicycles, quadri cycles, velocipedes, carriages and vehicles of all kinds whether mechanically propelled by steam, oil, gas, petrol or electricity or otherwise, tractors, bullion, stocks, shares, televisions sets, machines of all kinds, pump-sets, refrigerators, electric and electronic goods and other household articles.*
- 7. To finance industrial enterprises and to promote companies engaged in Industrial and Trading businesses and to generally carry on and undertake any business or operation commonly carried on or undertaken by capital financiers.*
- 8. To invest in and/or own, acquire, properties, assets, objects such as ships, vessels, migs, barge, crafts of every description and carriers of goods, by water, and properties such as wharfs, jetties, docks; and to act as co-owners of such properties, assets, objects inclusive of beneficial and ostensible ownership either in full or in part.*
- 9. To invest in entities engaged in ship owning, ship chartering, ship management, ship building, and repairing, irrespective of whether such entities are body corporate, partnership firms, associations or any other form of legal entity.*

10. To own and operate barges, hugs, vessels, cranes, crafts of every description and carriers of goods by water, and properties such as wharfs, jetties, docks; to engage in the business of unloading cargo from mother vessels into daughter vessels and barges and carrying to the shore and transferring cargo from ship to ship and to act as co-owners of such properties, assets, objects inclusive of beneficial and ostensible ownership either in full or in part.

- vii. The authorised, issued, subscribed and paid-up share capital of BUHARI as on 31<sup>st</sup> March, 2021 is as under:

Particulars	Amount in Rs
<b>Authorised Capital</b>	
10,00,000 equity shares of Rs. 100 each	10,00,00,000
<b>Total</b>	
<b>Issued, Subscribed and Paid-up Capital</b>	
947,802 equity shares of Rs. 100 each	9,47,80,200
<b>Total</b>	9,47,80,200

Subsequent to 31st March, 2021, there have been no further allotments by the Demerged Company as on the date of approval of this Scheme by the Board of Directors.

- viii. There has been no change in objects of BUHARI during the last 5 years. The name of BUHARI has been changed from Buharia Holdings Private Limited to "Buhari Holdings Private Limited" with effect from 28th May 2004.

**BACKGROUND OF THE COMPANY****INTERSEA MARITIME LIMITED**

- i. The Transferee Company was incorporated as a Public limited company under the Companies Act, 1956 in the state of Tamil Nadu on 15<sup>th</sup> May 1998 under the name and style of 'East Coast Terminal Operations and Port Services Limited'. The name of the Transferee Company was changed to 'Intersea Maritime Limited' with effect from 09th September 2019. The registered office of the Transferee Company is currently situated at Buharia Towers, Sixth Floor, 4, Moores Road Chennai 600006. It is primarily engaged in the business of owning and operating ships.
- ii. The Registered Office of INTERSEA is situated at Buharia Towers, Sixth Floor, 4, Moores Road Chennai 600006
- iii. The e-mail id of INTERSEA is [fewaccts@gmail.com](mailto:fewaccts@gmail.com)
- iv. The CIN of the INTERSEA is U63012TN1998PLC040506
- v. The Permanent Account Number of INTERSEA is AAACE4812D
- vi. The main objects of INTERSEA as set out in the Memorandum of Association are as under:
  1. *To own and operate barges, tugs and cranes and to engage in the business of unloading cargo from mother vessels into daughter vessels and barges and carrying to the shore, and transferring cargo from ship to ship.*
  2. *To own, establish, maintain, handle facilities for loading and unloading cargo and to build onshore tanks to store liquid cargo, storage facilities for handling materials and to load/unload materials, viz., petroleum products, edible oils, synthetic oils, chemicals and other materials by transporting the same by road, rail, sea or through cross country piping.*
  3. *To maintain, provide, build, take on lease or license, operate ports, road, highways, storage facilities, railways, bridges, and to engage in construction of harbour ports, contracts for construction of such works and to maintain and undertake repairs, construction and management of ships, barges; boats, floating vessels, lorries, tractors, trailers, cranes, plant and machineries of any kind including earth moving machineries, well turbines, pumps, port cargo equipment and others.*
  4. *To carry on the business of ship owners, ship dealers, ship managers, ship brokers, ship charterers, freight contractors, ship repairers, shipping agents and deal in machinery, engines, cranes, grabs, self unloaders, nautical instruments and such equipment required for the Shipping Industry and to carry on the business of transporters engaging bulk carriers, cargo ships, and such conveyances in India and abroad.*

- vii. The authorised, issued, subscribed and paid-up share capital of INTERSEA as on 31<sup>st</sup> March, 2021 is as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
6,00,00,000 equity shares of Rs. 10 each	60,00,00,000
<b>Total</b>	<b>60,00,00,000</b>
<b>Issued, Subscribed and Paid up Capital</b>	
5,57,90,788 equity shares of Rs. 10 each	55,79,07,880
<b>Total</b>	<b>55,79,07,880</b>

Subsequent to 31st March 2021, there have been further allotments and the capital structure of INTERSEA as on 31<sup>st</sup> March 2022 is as under:

Particulars	Amount in INR
<b>Authorised Capital</b>	
9,00,00,000 equity shares of Rs. 10 each	90,00,00,000
<b>Total</b>	<b>90,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
8,86,55,577 equity shares of Rs. 10 each	88,65,55,770
<b>Total</b>	<b>88,65,55,770</b>

- viii. There has been no change in objects of INTERSEA during the last 5 years. The name of INTERSEA has been changed from 'East Coast Terminal Operations and Port Services Limited' to 'Intersea Maritime Limited' on 09th September 2019. There has been a revision in the Articles of Association of the Company on 28<sup>th</sup> June 2022 subsequent to a Share purchase and Shareholders' agreement entered on 25<sup>th</sup> February 2022.

## FOUR M MARITIME PRIVATE LIMITED

The names of the Promoters and the present directors of FOUR M along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoter</b>		
1	MARYAM DHARAJA BUHARI	NO.8, SUBBARAO AVENUE 3RD STREET CHENNAI TAMIL NADU INDIA 600006
2	ABDUL QADIR	8, SUBBA RAO AVENUE, III STREET, NUNGAMBAKKAM, CHENNAI TAMIL NADU INDIA 600006
<b>Directors</b>		
1	MARYAM DHARAJA BUHARI	NO.8, SUBBARAO AVENUE 3RD STREET CHENNAI TAMIL NADU INDIA 600006
2	ABDUL QADIR	8, SUBBA RAO AVENUE, III STREET, NUNGAMBAKKAM, CHENNAI TAMIL NADU INDIA 600006

**BUHARI HOLDINGS PRIVATE LIMITED**

The names of the Promoters and the present directors of BUHARI along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoter</b>		
1	ABDUL RAHMAN BUHARI ASHRAF	OLD NO. 19, NEW NO. 36 MAYOR SHIVASHANMUGAM STREET NUNGAMBAKKAM CHENNAI- 600034
2	ARIF BUHARY RAHMAN	NO 39 UNIT TM039 THE MANSIONS NO 6 JLN CHANGKAT INTISARI, DESA PARK CITY KUALA LUMPUR Malaysia NA
3	ABDUL QADIR	8, SUBBA RAO AVENUE, III STREET, CHENNAI 600006
4	MARIAM HABEEB	New No.14, old no. 8, SUBBA RAO AVENUE, III STREET, CHENNAI 600006
5	QURRATH JAMEELA	8, SUBBA RAO AVENUE, III STREET, CHENNAI 600006
6	A RAHMATHUNISSA	14, Sterling Road, 1 <sup>st</sup> Cross street, Nungambakkam, Chennai -600034
7	AHAMED BUHARI	8, Subba Rao Avenue, III Street, Chennai 600006

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## BUHARI HOLDINGS PRIVATE LIMITED

Directors		
1	ABDUL RAHMAN BUHARI ASHRAF	OLD NO. 19, NEW NO. 36 MAYOR SHIVASHANMUGAM STREET NUNGAMBAKKAM CHENNAI- 600034
2	ABDUL QADIR	8, SUBBA RAO AVENUE, III STREET, CHENNAI 600006
3	QURRATH JAMEELA	NO.8, 3RD STREET SUBBARAO AVENUE, NUNGAMBAKKAM CHENNAI, TAMIL NADU INDIA, 600006
4	ARIF BUHARY RAHMAN	NO 39 UNIT TM039 THE MANSIONS NO 6 JLN CHANGKAT INTISARI, DESA PARK CITY KUALA LUMPUR Malaysia NA

**INTERSEA MARITIME LIMITED**

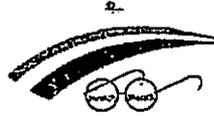
The names of the Promoters and the present directors of INTERSEA along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoter</b>		
1	ABDUL QADIR	8, SUBBA RAO AVENUE, III STREET, CHENNAI-6
2	KHALID A K BUHARI	NO.25, KHADER NAWAZ KHAN ROAD, CHENNAI-6
3	MILKYWAY DEVELOPERS PRIVATE LIMITED	NO.10&11 DR. RADHAKRISHNAN SALAI, CHENNAI CITI CENTRE, 4TH FLOOR, MYLAPORE, CHENNAI - 600 004.
4	ETA CONSTRUCTIONS (INDIA) LIMITED	NO.10&11 DR. RADHAKRISHNAN SALAI, CHENNAI CITI CENTRE, 4TH FLOOR, MYLAPORE, CHENNAI - 600 004.
<b>Directors</b>		
1	ABDUL QADIR	8, SUBBA RAO AVENUE, III STREET, CHENNAI-6
2	NOOHU MOHAMED AMMEER FIZEL	17, MANGADU SWAMY STREET, NUNGAMBAKKAM, CHENNAI - 600 034.
3	JUNAID YASEEN MOHAMED ABDUL CADER	9/35, JAYALAKSHMIPURAM 1 <sup>ST</sup> STREET, NUNGAMBAKKAM, CHENNAI - 600 034.
4	NOORUL AMEEN	39/26, COLLEGE ROAD, NUNGAMBAKKAM, GREAMS ROAD, CHENNAI - 600 006.
5	GOPALAKRISHNAN ARUNKUMAR	D-3 , RAMAR KUTIL, 3/5, 2nd MAIN ROAD, GANDHI NAGAR, ADYAR, CHENNAI - 600 020.

Annexure 8A

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Ramji Mahadevan  
RERA, Insolvency Resolution Professional  
FCA, RV, IRP, CMA(USA), CMA(India)  
Regd Valuer (Fin Assets), Indepen Director  
IBBI/PA-001/12258



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Mobile : 9962496298  
yahooramji@gmail.com  
IBBI/RV-05/10894

# VALUATION REPORT

In relation to the proposed Composite Scheme of  
Arrangement between

FOUR M MARITIME PRIVATE LIMITED

AND

BUHARI HOLDINGS PRIVATE LIMITED

AND

INTERSEA MARITIME LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

IBBI RV- ICAI UDIN- 21204541AAAAGS9088  
IBBI Valuer Regn no- IBBI/RV/05/2019/10894

*MR*  
CA. Ramji S/o Mahadevan  
Regd Valuer - Finance - SFA - IBBI  
FCA, RV, CMA (USA), CMA (INDIA), IRP  
Chennai - 9962496298  
IBBI / RV / 05 / 2019 / 10894



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To  
The Board of Directors

Dear Sir/Madam,

I, Ramji Mahadevan, Registered Valuer, Chennai having Registration number IBBI/RV/05/2019/10894 - ICAI RVO INDIA.(hereinafter referred to as the "Valuer" or "We"), enclose my report (the "Report") prepared in connection with the services requested for arriving at the share swapratio for the purpose of proposed Composite scheme of arrangement (hereinafter referred to as the Scheme) between Intersea Maritime Limited, Four M Maritime Private Limited and Buhari Holdings Private Limited (hereinafter referred to as Intersea, Four M and Buhari individually and as companies collectively) and their respective shareholders and creditors in accordance with the terms of my engagement letter. Based on the discussions we had and the information that we have received from the Management of Intersea Maritime Limited, Four M Maritime Private Limited and Buhari Holdings Private Limited, we have performed our valuation of the companies on a going concern basis.

This report is confidential to the company and is subject to the restrictions on use specified in the report. Any person who is not the addressee of this report is not authorized to have access to this report. Our report is subject to Statement of Limiting Conditions mentioned hereinafter. We draw your attention to the sections titled 'Statement of Assumptions and Limiting Conditions' included in this report.

Thanking You

  
Registered Valuer  
Ramji Mahadevan



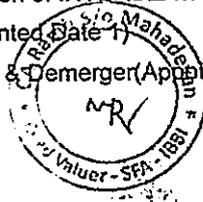
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SECTION – I VALUATION SUMMARY
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<b>The Engagement:</b>	I Ramji Mahadevan, Registered Valuer, Chennai, have been appointed by M/s. Intersea Maritime Limited, Four M Maritime Private Limited and Buhari Holdings Private Limited for carrying out the valuation in relation to the proposed scheme of arrangement between Intersea Maritime Limited and Four M Maritime Private Limited and Buhari Holdings Private Limited and their respective shareholders and creditors. As per the engagement of valuation, we issued this valuation report, dated November 19 <sup>th</sup> 2021, summarized herein, including the appendices. This Valuation Report is subject to the Statement of assumptions and limiting conditions contained in Appendix A.
<b>Purpose of Valuation:</b>	The purpose of this valuation is to determine the share swap ratio for the proposed scheme of arrangement between Intersea Maritime Limited, Four M Maritime Private Limited and Buhari Holdings Private Limited and their respective shareholders and creditors .
<b>Business Activity:</b>	M/s. Intersea Maritime Limited as well as Four M and Buhari are engaged in the business of owning and operating ships.
<b>Premise of Value:</b>	The Companies are valued on "going-concern" basis.
<b>Relevant Date:</b>	The relevant date for the proposed arrangement is: 31 <sup>st</sup> March 2021 for Capital Reduction of INTERSEA & Selective Capital Reduction of Four M (Appointed Date 1) 1 <sup>st</sup> April 2021 for the Amalgamation & Demerger (Appointed Date 2)



Swap Ratio for Amalgamation of Four M into INTERSEA: *26 fully paid Equity shares of face value of Rs.10/- each of INTERSEA for every 1 equity share of Rs.100/- each held by shareholders in Four M*

Share entitlement for demerger of shipping undertaking of Buhari : *1,13,73,624 Equity shares in INTERSEA to shareholders of the Demerged Undertaking of Buhari*

**SECTION- II APPOINTMENT FOR DETERMINATION OF VALUE & ENTITLEMENT RATIO**

I, Ramji Mahadevan, Registered Valuer, Chennai, have been appointed by M/s. Intersea Maritime Limited (Transferee Company), Four M Maritime Private Limited (Transferee Company) and Buhari Holdings Private Limited (Demerged Company) to undertake the valuation to determine the share swap ratio for the proposed scheme of arrangement between Intersea Maritime Limited, Four M Maritime Private Limited and Buhari Holdings Private Limited and their respective shareholders and creditors.

We are given to understand that the proposed scheme is in accordance with sections 230 to 232 and other relevant provisions of the Companies Act, 2013, to the extent applicable. In consideration for the arrangement, M/s. Intersea Maritime Limited (Transferee Company) will issue equity shares to the Shareholders of the Four M (Transferor Company) and Buhari (Demerged Company) on the basis of the share swap ratio determined as per this valuation report.



## SCOPE OF ENGAGEMENT

While performing the valuation exercise, an examination and analysis has been carried out in respect of following aspects of the activities of the companies, viz.:

- Background of the companies
- Financial position based on audited financial statements of Transferor company, Demerged Company/ Demerged Undertaking and Transferee company for the year ended 31<sup>st</sup> March, 2021.

### Source of Information

For the purpose of the valuation exercise, we have relied upon the following sources of information and/ or documents as provided by the management of the Companies.

- i. Audited Financial statements of the Transferor, Transferee and Demerged Companies for financial year ended 31<sup>st</sup> March, 2021;
- ii. Financial Statements of the Shipping business of the Demerged Company for the year ended 31<sup>st</sup> March 2021
- iii. Bill of sale and notary dated 6<sup>th</sup> July 2021 for sale consideration of ship
- iv. Valuation report of Vehicles, Furniture & Computers of M/s. Intersea Maritime Limited issued by Mr Jayaraman, Registered Valuer of Plant & Machinery (Registered with IBBI) dated 19<sup>th</sup> November 2021
- v. Valuation report of Vehicles, Furniture & Computers of M/s. Four M issued by Mr Jayaraman, dated 19<sup>th</sup> November 2021
- vi. Co-ownership Agreement dated 10<sup>th</sup> February 2020, between Intersea, Buhari and Four M
- vii. Letter of understanding between Gulf Fertilizers and Chemicals Limited; (hereinafter referred to as Gulf Mauritius), shareholder of Four M and the Transferor company dated 2<sup>nd</sup> November 2021
- viii. Memorandum and Articles of Association of the Companies;
- ix. Draft Composite Scheme of Arrangement between Transferor, Demerged and Transferee /Resulting Companies and their respective shareholders and creditors (hereinafter referred to as 'Draft Scheme');
- x. Management certified shareholding pattern of the Companies as on 31<sup>st</sup> March, 2021;
- xi. Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects and other relevant information and data as available in public domain; and



- xii. Such other information and explanations as sought by us and which have been provided by the management of the Companies.

**SECTION III – OBJECTIVES OF THE SCHEME**

It is understood that the draft Scheme of Arrangement is framed under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Rules to provide for:

- a) Reduction of share capital of Intersea Maritime Limited
- b) Selective Reduction of Share Capital of Four M Maritime Private Limited
- c) Amalgamation of Four M into INTERSEA and consequent dissolution of Four M without winding up; and
- d) Demerger of Shipping business of Buhari Holdings Private Limited into INTERSEA.

As per the scheme, the arrangement between the Transferor Company, Demerged Company with the Transferee /Resulting Company would *inter-alia* have the following benefits:

- a. Simplification of group structure;
- b. Business and administrative synergies, enhancement of net worth of the combined business for future growth and expansion;
- c. Greater financial strength and flexibility for the Transferee Company / Resulting Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity;
- d. Create enhanced value for the shareholders and allow a focused strategy in operations;
- e. Avoid duplication of efforts;
- f. Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial, and other administrative costs;
- g. Ease of doing business with all the stakeholders including customers, vendors, lenders, employees etc. by positioning entire business under the single brand name;



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It is further understood that the Composite Scheme of arrangement has been drawn upto comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:

- (i) All the properties of Transferor Company, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.
- (ii) All the liabilities of Transferor Company, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation
- (iii) All the properties of Demerged Undertaking, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.
- (iv) All the liabilities of Demerged Undertaking, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation

#### SECTION IV- BASIS OF VALUE & PREMISE OF VALUE

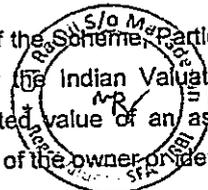
##### BASES OF VALUE

##### CAPITAL REDUCTION, AMALGAMATION & DEMERGER

For the purpose of Capital Reduction under Part II of the Scheme, Amalgamation under Part IV of the Scheme and Demerger under Part V of the Scheme, the bases of value used for determination of value is the Fair Value. As per the Indian Valuation Standards issued by ICAI, Fair Value is defined as "price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date"

##### SELECTIVE CAPITAL REDUCTION

For Selective Capital Reduction of Four M as per Part III of the Scheme, Participant Specific Value has been used for determination of value. As per the Indian Valuation Standards issued by ICAI, Participant Specific Value is the estimated value of an asset or liability considering specific advantages or disadvantages of either of the owner or identified acquirer



or identified participants. This base of value is adopted in view of the fact that there is a specific arrangement between the investor and the company duly laying down the reasons for exit by the investor without consideration under the proposed scheme of Selective Capital Reduction.

PREMISE OF VALUE

There are two main premises of value in a business valuation, Going-concern value and Liquidation value. The *International Glossary* defines premise of value as "an assumption regarding the most likely set of transactional circumstances that may be applicable to the subject valuation, e.g., going concern, liquidation. This premise is based on facts and circumstances existing on the valuation date. Going-concern value defined by The International Glossary as "the value of a business enterprise that is expected to continue to operate into the future". Hence, we have considered going concern premise according to which the business enterprise will continue its operations in future and it has no intention to stop its activities in the near future.

SECTION V-VALUATION APPROACHES & METHODOLOGY

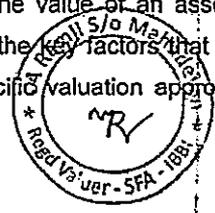
Valuation Approaches

As per the Indian Valuation Standard -103 Issued by ICAI, a valuer can make use of one or more of the processes or methods available for each of the following valuation approach.

- 1. Market Approach
- 2. Income Approach
- 3. Cost Approach

The appropriateness of a valuation approach for determining the value of an asset would depend on valuation bases and premises. In addition, some of the key factors that a valuer shall consider while determining the appropriateness of a specific valuation approach and method are:

- (a) nature of asset to be valued;
- (b) availability of adequate inputs or information and its reliability;



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- (c) strengths and weakness of each valuation approach and method; and
- (d) valuation approach/method considered by market participants.

The valuation approaches and methods shall be selected in a manner which would maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The price information gathered from an active market is generally considered to be a strong indicator of value.

#### **Market Approach**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a *valuer* applies the market approach:

- (a) where the asset to be valued or a comparable or identical asset is traded in the active market;
- (b) there is a recent, orderly transaction in the asset to be valued; or
- (c) there are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

#### **Income Approach**

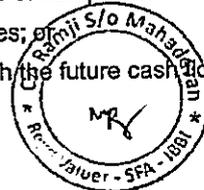
Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The following are some of the instances where a *valuer* may apply the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparables; or
- (c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

#### **Cost Approach**



Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

In certain situations, historical cost of the asset may be considered by the *valuer* where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset.

Examples of situations where a *valuer* applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used.

#### PRINCIPLE VALUATION METHODS

The following methodologies are normally used for valuation of Companies:

- Replacement Cost Method - Cost Approach
- Reproduction Cost Method - Cost Approach
- Adjusted Net Assets Method - Cost Approach
- Discounted Cash Flow(DCF) Method – Income Approach
- Comparable Companies Multiple Method (CCM) – Market Approach
- Comparable Transactions Multiples Method(CTM) – Market Approach
- Net Asset method based on historical cost

#### SELECTIVE CAPITAL REDUCTION FOR FOUR M

As per Para 96 of ICAI valuation standards, under Cost approach, "in certain situations, historical cost of the asset may be considered by the valuer where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset.



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Given the context of the specific understanding between the investor and the company, wherein the investor specifically waives his right in the shares and is willing to exit without consideration since the investment has been written off in his books of account, we have considered it appropriate to adopt NAV method based on historical cost basis for the purpose of Selective Capital Reduction.

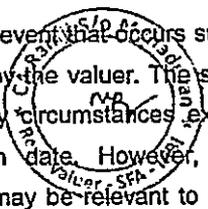
**CAPITAL REDUCTION, AMALGAMATION & DEMERGER**

Adjusted net asset value method is a variation of Net asset value method which is essentially based on the book value of the assets and liabilities. Under Adjusted NAV method, the assets and liabilities are adjusted and considered at their fair values instead of their book values. In the instant case, it is felt appropriate that the fair value of the assets and liabilities is a better indicator of the value of the business. Hence Adjusted NAV method is adopted.

The parameters of valuation for each of the assets under Cost approach has been as under:

Nature of Asset / Liability	Valuation parameter
Furniture, fixtures, vehicles, Computers	Based on valuation by IBBI registered Plant & Machinery valuer
Financial assets other than investments (other than inter company transactions)	As per audited financial statements
Investments	Minority holding and amounts are not material. Therefore the investments have been valued on book value basis :
Liabilities	Based on audited financial statements

As per ICAI valuation standard 301, subsequent event is an event that occurs subsequent to the valuation date and could affect the value so arrived at by the valuer. The said standard further states that "Generally a valuer would consider only circumstances existing at the valuation date and events occurring upto the valuation date. However, events and circumstances occurring subsequent to the valuation date may be relevant to the valuation



depending upon, inter alia, the basis, premise and purpose of valuation. Hence the valuer should apply his professional judgement, to consider any of such circumstances / events which are relevant for the valuation.

In the case of the following asset valuation, the subsequent events are relevant to the valuation, and appropriate adjustments are made to take into account the differences between the facts and circumstances on the relevant date and date of valuation. Hence the following assets are valued taking into account subsequent events, for the purpose of arriving at the Net asset value:

Nature of Asset / Liability	Valuation parameter
Ship	Since the asset is not physically available on the date of valuation, the same has not been valued by the Plant & Machinery valuer. However to ensure that the valuation of the Company reflects the true position, the sale consideration which has been realized subsequent to the relevant date has been considered as on the relevant date.
Inventory	In line with audited financial statements as the asset has been sold off / used up as on the date of valuation.
Loan from Director (Rs.20 crore)	Vide letter dated 2nd November 2021 and Part IV of the draft scheme provided by the company it is understood that the company has entered into an understanding with the Director for receipt of loan at a later date depending on the realization, if any. Hence the value of this loan has been taken as Nil



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as of the relevant date of valuation.

Inter company transactions

Vide letter dated 19<sup>th</sup> November 2021 and based Part IV the draft scheme provided by the company, it is understood that the companies have entered into an understanding for cancellation of all inter company transactions in view of the proposed scheme. Hence the value of these transactions has been taken as Nil as of the relevant date of valuation.

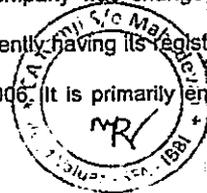
Since the company's earning capacity is below its cost of capital, we have not found income approach to be appropriate.

Since there are no comparable companies and comparable transactions for Shipping Business, we are unable to resort to Market approach for this valuation.

#### SECTION- VI BACKGROUND OF THE COMPANIES INVOLVED IN ARRANGEMENT

##### M/S. FOUR M MARITIME PRIVATE LIMITED (Transferor Company)

The Transferor Company was originally incorporated as a private limited company under the Companies Act 1956 in the State of Tamil Nadu on 11<sup>th</sup> January, 1999 under the name and style of "Four M Holdings Private Limited. The name of the transferor company was changed to "Four M Maritime Private Limited, with effect from 17<sup>th</sup> September 2001 currently having its registered office at Buharia Towers, Sixth Floor, No.4, Moores Road, Chennai - 600006. It is primarily engaged in the business of owning and operating ships.



**Capital Structure as on 31<sup>st</sup> March 2021**

<b>Particulars</b>	<b>Amount in INR</b>
<b><u>Authorised Capital</u></b>	
450,000 equity shares of INR 100 each	4,50,00,000
<b>Total</b>	<b>4,50,00,000</b>
<b><u>Issued, Subscribed and Paid-up Capital</u></b>	
417,798 equity shares of INR 100 each	4,17,79,800
<b>Total</b>	<b>4,17,79,800</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2021**

<b>Shareholder</b>	<b>No. of Shares</b>
Mr Abdul Qadir	2,41,010
Ms Maryam Dharaja Buhari	10
Gulf Fertilizers and Chemicals Limited	1,76,778
<b>TOTAL</b>	<b>4,17,798</b>



Subsequent to 31<sup>st</sup> March, 2021, there have been no further allotments by the Transferor Company

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**M/S. BUHARI HOLDINGS PRIVATE LIMITED (Demerged Company)**

Buhari, the Demerged Company, was originally incorporated as a private limited company under the Companies Act 1956 in the state of Tamil Nadu on 08 March 1989 under the name and style of "Buharia Holdings Private Limited". The name of the Demerged Company was changed to "Buhari Holdings Private Limited" with effect from 28<sup>th</sup> May 2004 and has its registered office situated at No. 4 Moores Road Chennai 600006. It is engaged in the business of owning and operating ships. It is also engaged in real estate business.

**Capital Structure as on 31<sup>st</sup> March 2021**

<b>Particulars</b>	<b>Amount in INR</b>
<b>Authorised Capital</b>	
<b>10,00,000 equity shares of INR 100 each</b>	10,00,00,000
<b>Issued, Subscribed and Paid up Capital</b>	
<b>947,802 equity shares of INR 100 each</b>	9,47,80,200

**Shareholding Pattern as on 31<sup>st</sup> March, 2021**

<b>Shareholder</b>	<b>No. of Shares</b>
Mr Ahmed Buhari	1,77,343
Mr Ashraf Abdul Rahman Buhari	1,77,343
Qurrath Jameela	87,647
Arif Buhary Rahman	1,77,343



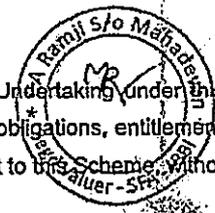
Abdul Qadir	1,77,343
Mariam Habeeb	87,124
A Rahmathunissa	61,088
Sulaimaan Mussadique	512
Zulaikha Mussadique	512
Razeen Ahamed	523
Safwa Mina Habeeb	512
Lubna Kathija Habeeb	512
<b>TOTAL</b>	<b>9,47,802</b>

Subsequent to 31<sup>st</sup> March, 2021, there have been no further allotments by the Demerged Company.

**Shipping business of M/S. BUHARI HOLDINGS PRIVATE LIMITED (Demerged Undertaking)**

As per the proposed scheme of arrangement, as part of the Demerged Undertaking the entire activities, operations, business division and undertaking of Buhari pertaining to the Shipping Business is demerged on a going concern basis including all the assets, liabilities and employees, rights, powers, licenses, statutory registrations, permissions and powers, leasehold rights and all its debts, outstanding, liabilities, duties, obligations as on the Appointed Date 2 of the Demerged Company pertaining to and/ or arising out of and/ or relatable to Shipping Business.

As per the scheme, it is intended that the definition of the Demerged Undertaking under this sub-clause would enable the transfer of all property, assets, liabilities, rights, obligations, entitlements and benefits of the Demerged Undertaking to the Resulting Company pursuant to this Scheme without any further act or deed.



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### Statement of Assets and Liabilities

The statement of assets and liabilities of the Shipping division of Buhari is given as Annexure 1.

#### M/s. INTERSEA MARITIME LIMITED(Transferee Company/Resulting Company)

The Transferee Company was incorporated as a Public limited company under the Companies Act, 1956 in the state of Tamil Nadu on 15<sup>th</sup> May 1998 under the name and style of "East Coast Terminal Operations and Port Services Limited". The name of the Transferee Company was changed to "Intersea Maritime Limited" with effect from 09<sup>th</sup> September 2019. The registered office of the Transferee Company is currently situated at Buharia Towers, Sixth Floor, 4, Moores Road, Chennai 600006. It is primarily engaged in the business of owning and operating ships.

#### Capital Structure as on 31 March 2021

Particulars	Amount in INR
<b>Authorised Capital</b>	
60,000,000 equity shares of INR 10 each	60,00,00,000
<b>Total</b>	<b>60,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
55,790,788 equity shares of INR 10 each	55,79,07,880
<b>Total</b>	<b>55,79,07,880</b>



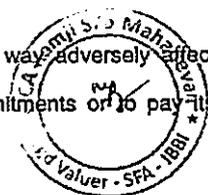


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**INTERSEA - CAPITAL REDUCTION & FOUR M SELECTIVE CAPITAL REDUCTION**

a) RATIONALE FOR REDUCTION OF CAPITAL OF INTERSEA: The rationale behind the reduction of share capital of INTERSEA as per the draft scheme is as under:

- Erosion of Networth due to non realization of receivable from the operating co-owner over a period of time have substantially wiped off the value represented by the shareholders' funds, and thus, the financial statements do not reflect the correct picture of the financial health of INTERSEA. This has given rise to the need to re-adjust the relation between capital and assets and to reflect the liabilities and assets of INTERSEA accurately and fairly in its books of accounts. INTERSEA has evaluated the effect of this upon its functioning and has carefully examined different options available to it. After detailed deliberations, the Board of Directors of INTERSEA have proposed to reduce the capital of INTERSEA in accordance with the provisions of Section 230 and other applicable provisions of the Companies Act, 2013.
- The reduction of capital in the manner proposed would enable INTERSEA to have a capital structure which will be commensurate with its remaining business and assets.
- The reduction of capital is not prejudicial and would not affect the interest of any stakeholders (including shareholders) of INTERSEA. For the sake of clarity, it is specified that the creditors of INTERSEA are in no way affected by the proposed reduction of capital as there is no reduction in the amount payable to any of the creditors and therefore, no compromise or arrangement is contemplated with the creditors.
- Further, this Scheme does not involve diminution of any liability in respect of unpaid capital and there are no partly paid up shares but for the cancellation of equity shares of INTERSEA against accumulated losses.
- Additionally, the proposed adjustment would not in any way adversely affect the ordinary operations of INTERSEA or its ability to honor its commitments or to pay its debts in the ordinary course of its business.



In order to reflect the true financial health of INTERSEA as explained above, the Board of Directors of INTERSEA believe that the Appointed Date for capital reduction should be 31st March 2021.

b) RATIONALE FOR SELECTIVE REDUCTION OF SHARE CAPITAL OF FOUR M: The rationale behind the selective reduction of share capital of Four M as per the draft scheme is as under:

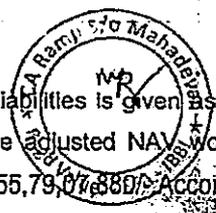
- The Scheme will facilitate exit of one of its shareholders namely Gulf Fertilizers and Chemicals Ltd, Mauritius as the capital of Four M has completely eroded due to the business losses and the exiting shareholder is unwilling to participate in further capital/ business operations of the company.
- The disinclination of Gulf Fertilizers and Chemicals Ltd to provide additional capital to meet the future business requirements of Four M owing to COVID Pandemic.
- The Board of Directors believe that the selective capital reduction should have an Appointed Date of 31 March 2021.

**VALUATION OF INTERSEA FOR THE PURPOSE OF CAPITAL REDUCTION**

The Fair value of all Assets and Liabilities has been arrived at and the Net Adjusted Network of the company is given in the table below:

	Book Value	Fair value
Assets	16,16,92,466	44,63,47,874
Liabilities	5,52,28,661	5,52,28,661
Networth	10,64,63,805	39,11,19,214

Detailed breakup of book value and fair value of assets and liabilities is given as Annexure 2. Based on the fair value of the net assets and liabilities the adjusted NAV works out to Rs.39,11,19,214 as against the existing share capital of Rs.55,79,07,880. Accordingly the company proposes a Capital Reduction to the tune of Rs.16,67,88,670 under the scheme.



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### VALUATION OF FOUR M FOR THE PURPOSE OF SELECTIVE CAPITAL REDUCTION

Based on the letter dated 1<sup>st</sup> November 2021 it is understood that the company had made substantial losses over the last years its networth is fully eroded, and the present networth of the company is negative to the tune of Rs.22.11 crore. Since the net worth of the company has been eroded, the company wants the existing shareholders to infuse further equity with the intent of buying a ship either individually or jointly with M/s. Intersea Maritime Limited and M/s Buhari Holdings Private Limited in the existing proportion. The company, in order to raise funds for this purpose, had sought the interest of M/s. Gulf Fertilizer and Chemicals Limited in participating in the future growth of the company.

Vide letter dated 2<sup>nd</sup> November 2021 M/s Gulf Fertilizer and Chemicals Limited had communicated to Four M that

- a) They are not interested to infuse funds in M/s. Four M Maritime Private Limited
- b) They have already written-off the investments in M/s. Four M Maritime Private Limited from the books of their company and that
- c) Four M may take necessary steps to cancel the shares held by M/s. Gulf Fertilizer and Chemicals Limited in the company.

Given the above specific arrangement between Gulf and Four M, Participant specific value has been arrived at for this purpose using Net asset method based on historical cost of assets and liabilities of Four M as of 31<sup>st</sup> March 2021 as reflected in table below:

	Book Value
Assets	1,25,26,710
Liabilities	23,36,35,811
Networth	(22,11,09,101)



Detailed breakup of NAV based on book value of Assets and Liabilities is given as Annexure 3.

The above valuation is based on an understanding between the company and Gulf Fertilizers and Chemicals Limited by which Gulf Mauritius prefers an exit from Four M without any consideration in view of the fact that they have fully written off the investment in Four M in their books of account and also given the fact that they are no longer inclined to participate in the future business of the company or be part of its expansion plans.

### SECTION VII-RELEVANT DATE

As part of the composite scheme of Arrangement, it is necessary to carry out capital reduction of INTERSEA and Selective Reduction of Four M, post which it is necessary to determine the relative value of share of M/s. Four M Maritime Private Limited (Transferor Company) and M/s. Intersea (Transferee Company/Resulting Company) to ascertain the swap ratio.

For determining the value of equity shares for the purpose of Capital Reduction of INTERSEA and Selective Capital Reduction of Four M, we have relied upon the operating results, financial position and other information of the companies up to 31<sup>st</sup> March, 2021, which is the relevant date as per the Proposed Scheme of Amalgamation and events and circumstances occurring subsequent to the valuation date, wherever relevant, to the valuation depending upon, inter alia, the basis, premise and purpose of valuation. I have applied professional judgement, to consider any of such circumstances / events which are relevant for the valuation.

The relevant date of valuation for the purpose of determining swap ratio is considered as 31<sup>st</sup> March, 2021 so as to reflect the fair value of the Equity Shares of Transferor and Transferee Companies as on that date.



### SECTION VIII - VALUATION & SWAP RATIO

#### VALUATION OF M/S. FOUR M MARITIME (TRANSFEROR COMPANY)

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We have adopted Adjusted Net Assets Method under Cost Approach for ascertaining the Fair value per Equity share of M/s. Four M as per Annexure 4 of this report.

Accordingly the Net asset value of Four M works out to Rs.6,20,97,147/-

#### VALUATION OF M/S. INTERSEA (TRANSFeree COMPANY)

We have adopted Adjusted Net Assets Method under Cost Approach for ascertaining the Fair value per Equity share of M/s. INTERSEA as per Annexure 2 of this report.

Accordingly the Net asset value of INTERSEA works out to Rs.39,11,19,214/-

#### SWAP RATIO

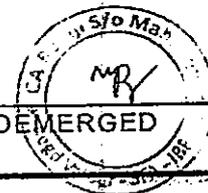
#### SWAP RATIO POST CAPITAL REDUCTION & SELECTIVE CAPITAL REDUCTION

Based on the Adjusted NAV of Intersea and Four M, the swap ratio is worked out as under:

Entity	Intersea	Four M
Fair market value	39,11,19,214	6,20,97,147
No of shares (post capital reduction)	3,91,11,921	2,41,020
Value per share	10	257.64
Swap ratio - Intersea to issue 26 shares for every share in Four M		25.76 rounded off to 26

**26 fully paid Equity shares of face value of Rs.10/- each of INTERSEA for every 1 equity share of Rs.100/- each held by shareholders in Four M**

SHARE ENTITLEMENT FOR SHAREHOLDERS OF DEMERGED COMPANY



**VALUATION OF SHIPPING DIVISION OF BUHARI (DEMERGED UNDERTAKING)**

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We have adopted Adjusted Net Assets Method under Cost Approach for ascertaining the fair value per equity share of the Shipping Division of M/s.Buhari as per Annexure 5 of this report.

Accordingly the Net asset value of Shipping Division of Buhari as on the appointed date under the Scheme being 1<sup>st</sup> April 2021 works out to Rs.11,44,79,225/-

This networth of Buhari shipping division has been divided by the fair value of INTERSEA of Rs.10/- to arrive at the share entitlement of the Demerged undertaking.

Therefore the total value of the Demerged undertaking as per the above approach works out to Rs. 11,44,79,225/-and accordingly the shareholders of the Demerged company are entitled to receive 1,13,73,624equity shares in the Resulting companyin proportion to their shareholding in the Demerged company.

Place: Chennai  
Date: 19.11.2021

*RM*  
Ramji Mahadevan  
REGISTEREDVALUER



APPENDIX - A
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**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

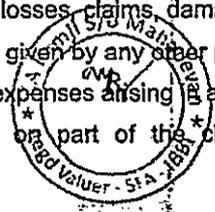
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The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in the detailed Valuation report are summarized below. Other assumptions are cited elsewhere in the report.

- 1) The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation i.e., 31<sup>st</sup> March, 2021.
- 2) The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). I do not accept liability for losses arising from such subsequent changes in value. All opinions and estimates in this publication or report are, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report and are subject to change without notice.
- 3) We have performed a valuation engagement and present our detailed report in conformity with the "Valuation Standards" issued by the Institute of Chartered Accountants of India (ICAI). IVS sets out that the objective of a valuation engagement is "to express an unambiguous opinion as to the of a business, business ownership interest, security or intangible asset which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation." Also according to the Standard in a valuation engagement the valuer can apply valuation approaches or methods deemed in the analyst's professional judgment to be appropriate under the circumstances. In a valuation engagement the conclusion is expressed as either a single amount or a range.
- 4) By reason of the operation of privacy laws, the valuer's enquiries in respect of recent transactions have been constrained. Accordingly, the valuer may not have had access

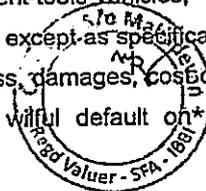
to information on recent transactions which has not yet been published in information sources available to the valuer. If other transactions have taken place, knowledge of those transactions may affect the opinions expressed by the valuer. **To the best of my knowledge and belief the statements and opinions in this report are correct and the information provided by others is accurate. However, no responsibility is assumed for its accuracy, which should be checked by appropriate report, search or formal enquiry if required.**

- 5) We have provided our recommendation of the Valuation based on the information available to us and within the scope of our engagement, others may have a different opinion. **The final responsibility for value/price at which the Proposed Transaction shall take place will be with the Board of Directors of the Company, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.**
- 6) We are not advisors with respect to accounting, legal, tax and regulatory matters for the proposed transaction. This Report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 7) This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I/we do not take any responsibility for the unauthorized use of this report.
- 8) I owe responsibility to only to the authority/client that has appointed me/us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

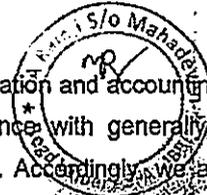


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- 9) The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date
- 10) The valuation of company and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client, I have provided a single value for the overall Fair Value of the Equity of Transferor and Transferee Companies. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.
- 11) The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.
- 12) The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, costs or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.



- 13) I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- 14) The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to us.
- 15) The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value
- 16) I was fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.
- 17) The value of Equity of the companies have been performed on the Audited balance sheet provided by management of the Transferor, Transferee and Demerged companies/undertaking, as of the valuation date.
- 18) While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no



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responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

- 19) An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- 20) In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.
- 21) We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 22) Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- 23) Our report will not be used for financing or included in a private placement or other public documents and may not be relied upon by any third parties.
- 24) I have no financial interest or contemplated financial interest in the companies that are the subject of this report

Place: Chennai  
Date: 19-11-2021



  
Ramji Mahadevan  
REGISTERED VALUER

ANNEXURE

ANNEXURE 1 – STATEMENT OF ASSETS AND LIABILITIES OF SHIPPING DIVISION OF BUHARI

	Buhari Shipping Division
	Book value
<b>Fixed Assets</b>	
Ship	54,582,005
<b>Total FA / FMV of FA</b>	<b>54,582,005</b>
Cash and Bank	400,000
<b>Total Assets</b>	<b>54,982,005</b>
Share Capital	7,856,418
Reserves & Surplus	-
<b>Total Equity</b>	<b>7,856,418</b>
Other current liabilities	26,600,000
Short term provisions	224,495
Other Liabilities	20,301,092
<b>Total Liabilities</b>	<b>47,125,587</b>
<b>Total Equity and Liabilities</b>	<b>54,982,005</b>



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**ANNEXURE 2 - BOOK VALUE AND FAIR VALUE OF ASSETS AND LIABILITIES OF INTERSEA**

	Book value (All figures in Rs.)	Fair value
<b>FIXED ASSETS</b>		
Furniture	1,721,984	595,400
Vehicles & Computer	4,190,630	4,285,000
Ship	53,113,825	410,005,300
Cash and Bank	10,675,848	10,675,848
Long term loans and advances	572,594	572,594
Short term loans and advances - Unrelated	13,255,416	13,255,416
Short term loans and advances Related	71,203,853	-
Others assets	384,282	384,282
Inventories	6,574,235	6,574,235
<b>TOTAL ASSETS</b>	<b>161,692,466</b>	<b>446,347,874</b>
<b>LIABILITIES</b>		
Short term borrowing	10,200,000	10,200,000
Other long term borrowing	2,650,971	2,650,971
Other long term liabilities	722,722	722,722
Trade Payable - Related parties	2,907,330	2,907,330
Trade Payable - Other than Related parties	30,918,692	30,918,692
Short term provisions	1,471,123	1,471,123
Other Liabilities	6,357,822	6,357,822
<b>Total Liabilities</b>	<b>55,228,661</b>	<b>55,228,661</b>
<b>Net Worth</b>	<b>106,463,805</b>	<b>391,119,214</b>



ANNEXURE 3 - NAV based on book value of Assets and Liabilities of FOUR M

	Four M Book value
<b>Assets</b>	
Furniture	135,858
Vehicles & Computer	522,435
Ship	7,409,846
Investments	2,072,263
Cash and Bank	715,990
Long term loans and advances	162,353
Short term loans and advances - Unrelated	1,507,965
<b>Total Assets</b>	<b>1,25,26,710</b>
<b>Liabilities</b>	
Short term borrowing	208,891,273
Trade Payable - Other than Related parties	439,527
Inter company transaction	24,302,761
Other Liabilities	2,250
<b>Total Liabilities</b>	<b>233,635,812</b>
<b>Historical Net Worth</b>	<b>(221,109,101)</b>



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## ANNEXURE 4 - FAIR VALUE OF ASSETS AND LIABILITIES OF FOUR M

	Fair value
<b>ASSETS</b>	
Furniture, Vehicles & Computer	695,800
Ship	57,384,553
Investments	2,072,263
Cash and Bank	715,990
Long term loans and advances	162,353
Short term loans and advances - Unrelated	1,507,965
<b>Total Assets</b>	<b>6,25,38,924</b>
<b>LIABILITIES</b>	
Trade Payable - Other than Related parties	439,527
Inter company transaction	-
Other Liabilities	2,250
<b>Total Liabilities</b>	<b>441,777</b>
<b>Adjusted Net Asset Value</b>	<b>62,097,147</b>



**ANNEXURE 5 - FAIR VALUE OF ASSETS AND LIABILITIES OF SHIPPING DIVISION OF BUHARI**

	Fair value (Rs.)
<b>ASSETS</b>	
Ship	114,303,720
Cash and Bank	400,000
<b>TOTAL ASSETS</b>	<b>114,703,720</b>
Equity	114,479,225
Short term provisions	224,495
<b>TOTAL LIABILITIES</b>	<b>224,495</b>
<b>Net Worth</b>	<b>114,479,225</b>

MR  
**CA. Ramji S/o Mahadevan**  
 Regd Valuer - Finance - SFA - (IBBI)  
 FCA, RV, CMA (USA), CMA (INDIA), IRP  
 Chennai - 9962496298  
 IBBI / RV / 05 / 2019 / 10894



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**The Engagement :** Mr. Ramji Mahadevan, Registered Valuer, Chennai, was appointed by M/s. Intersea Maritime Limited, Four M Maritime Private Limited and Buhari Holdings Private Limited for carrying out the valuation in relation to the proposed scheme of arrangement between Intersea Maritime Limited and Four M Maritime Private Limited and Buhari Holdings Private Limited and their respective shareholders and creditors. As per the engagement of valuation, Mr. Ramji Mahadevan issued a valuation report, dated November 19th 2021, which is summarized herein.

**Purpose of Valuation :** The purpose of this valuation is to determine the share swap ratio for the proposed scheme of arrangement between Intersea Maritime Limited, Four M Maritime Private Limited and Buhari Holdings Private Limited and their respective shareholders and creditors.

**Business activity :** M/s. Intersea Maritime Limited as well as Four M and Buhari are engaged in the business of owning and operating ships.

**Basis of Valuation**

**Capital Reduction, Amalgamation & Demerger**

For the purpose of Capital Reduction under Part II of the Scheme, Amalgamation under Part IV of the Scheme and Demerger under Part V of the Scheme, the bases of value used for determination of value is the Fair Value. As per the Indian Valuation Standards issued by ICAI, Fair Value is defined as "price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date"

**Selective Capital Reduction**

For Selective Capital Reduction of Four M as per Part III of the Scheme, Participant Specific Value has been used for determination of value. As per the Indian Valuation Standards issued by ICAI, Participant Specific Value is the estimated value of an asset or liability considering specific advantages or disadvantages of either of the owner or identified acquirer or identified participants. This base of value is adopted in view of the fact that there is a specific arrangement between the investor and Four M duly laying down the reasons for exit by the investor without consideration under the proposed scheme of Selective Capital Reduction.

**Premise of Value:** The Companies are valued on "going-concern" basis.

**Relevant Date:** The relevant date for the proposed arrangement is:

- 31<sup>st</sup> March 2021 for Capital Reduction of INTERSEA & Selective Capital Reduction of Four M (Appointed Date 1)

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- 1<sup>st</sup> April 2021 for the Amalgamation & Demerger (Appointed Date 2)

**Swap Ratio for Amalgamation of Four M into INTERSEA:**

26 fully paid Equity shares of face value of Rs.10/- each of INTERSEA for every 1 equity share of Rs.100/- each held by shareholders in Four M

**Share entitlement for demerger of shipping undertaking of Buhari:**

1,13,73,624 Equity shares in INTERSEA to shareholders of the Demerged Undertaking of Buhari.

In INR

BALANCE SHEET AS AT ....		PROVISIONAL	AUDITED
		31-Mar-22	31-Mar-21
<b>Shareholders Funds</b>		<b>(15,86,02,896)</b>	<b>(22,11,09,102)</b>
Share Capital	1	4,17,79,800	4,17,79,800
Reserves and Surplus	2	(20,13,82,696)	(26,28,88,902)
<b>Loan Funds.</b>		<b>20,88,91,273</b>	<b>20,88,91,273</b>
Unsecured Loan - (Loan from Director)		20,88,91,273	20,88,91,273
<b>Curr Liab &amp; Provs</b>		<b>4,98,71,046</b>	<b>2,47,44,538</b>
Trade Payables		1,31,142	4,39,527
Other Liab <sup>3</sup>	3	4,97,39,904	2,43,05,012
Provisions			
<b>TOTAL</b>		<b>9,91,59,423</b>	<b>1,25,26,710</b>
<b>Fixed Assets</b>		<b>9,41,63,872</b>	<b>80,68,139</b>
Gross Block	4	9,88,89,362	15,23,91,520
Less Depreciation		(57,25,490)	(14,43,23,381)
<b>Investments</b>	5	<b>16,49,250</b>	<b>20,72,263</b>
<b>Current assets, loans &amp; Adv.</b>		<b>33,46,301</b>	<b>23,86,308</b>
Inventories			
Sundry Debtors			
Cash and Bank Balances	6	13,95,087	7,15,990
Loans & Advances <sup>4</sup>	7	19,51,214	16,70,318
<b>TOTAL</b>		<b>9,91,59,423</b>	<b>1,25,26,710</b>

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Four M Maritime Limited  
Buhari Towers, 6th Floor, No.4, Moores Road, Chennai - 600 006

	In INR	
	PROVISIONAL	AUDITED
PROFIT AND LOSS ACCOUNT	31-Mar-22	31-Mar-21
	Provisional	Audited
<b>Income</b>	<b>7,51,87,893</b>	<b>2,86,45,964</b>
Freight/Charter Hire Income	2,76,83,090	2,31,18,751
Profit on sale of Asset	4,75,28,658	-
Other Income	(23,855)	55,27,213
<b>Direct Voyage Expenses</b>		<b>36,473</b>
<b>Net Income</b>	<b>7,51,87,893</b>	<b>2,86,09,491</b>
<b>Expenditure And Charges</b>	<b>94,91,817</b>	<b>1,44,35,382</b>
Operating Expenses	88,15,910	1,33,29,288
Drydocking Expenses	-	6,05,783
Administrative expenses	6,75,907	5,00,321
<b>EBITDA</b>	<b>6,56,96,076</b>	<b>1,41,74,109</b>
Finance Cost	14,10,736	31,679
Depreciation	30,24,080	30,64,349
<b>Profit Before Tax</b>	<b>6,12,61,260</b>	<b>1,10,78,081</b>
Extra Ordinary items <sup>1</sup>	3,05,535	(2,17,748)
<b>Profit/(Loss) After Extra Ord Items</b>	<b>6,15,66,795</b>	<b>1,08,60,333</b>
Deferred /Corp/ Tonnage Tax	60,589	2,42,825
<b>Profit After Tax</b>	<b>6,15,06,206</b>	<b>1,06,17,508</b>
<sup>1</sup> Extra Ordinary Items	3,05,535	(2,17,748)
Add: Written off	(7,865)	
ADD: Provision no longer required written back		2,129
Less: Provision for advances		(1,16,993)
Less: Provn for diminution in the value of invst		(5,76,937)
ADD: Creditors written back	3,13,500	4,74,103
Less: Extra Ordinary Items		

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SCHEDULES	In INR	
	PROVISIONAL 31-Mar-22	AUDITED 31-Mar-21
<b>Schedule 1</b>		
Share Capital		
<b>a. Authorised</b>		
Equity Shares of Rs. 100/- each	4,50,000	4,50,00,000
	4,50,00,000	4,50,00,000
<b>b. Issued, Subscribed &amp; Paid-Up</b>		
On 31-Mar-2021 Equity Shares of Rs. 10 /- each	4,17,798	4,17,79,800
	4,17,79,800	4,17,79,800
<b>Schedule 2</b>		
Reserves & Surplus		
(a) General Reserve	35,59,566	35,59,566
(b) Tonnage Tax Reserve u/s 115VT of the Income Tax Act, 1951	27,39,000	1,12,20,000
As per last Balance Sheet	1,12,20,000	1,00,00,000
Less: Transferred to Profit & Loss Account	-1,12,20,000	-
Add: Transferred from Profit & Loss Account	27,39,000	12,20,000
(c) Surplus in Statement of Profit and Loss Account	-20,76,81,262	-27,76,68,468
As per last Balance Sheet	-27,76,68,468	-28,70,65,976
Add: Transferred from Profit & Loss Account	6,15,06,206	1,06,17,508
Add: Transferred from Tonnage Tax Reserve	1,12,20,000	-12,20,000
Less: Transferred to Tonnage Tax Reserve	-27,39,000	-
<b>Total (a)+(b)+(c)</b>	<b>-20,13,82,696</b>	<b>-26,28,88,902</b>
<b>Schedule 3</b>		
Other Curr Liabilities		
Stat Liab (TDS / PF / ESI)	3,000	2,250
Payable to Floating Staff		
Payable on contractual Obligation - Intersea	4,97,36,904	2,43,02,762
	4,97,39,904	2,43,05,012
<b>Schedule 5</b>		
Investments		
ECCI Info Park	1,50,00,000	1,50,00,000
Less: Provs	(1,50,00,000)	(1,50,00,000)
WAM	1,67,31,483	1,67,31,483
Less: Provs	(1,67,31,483)	(1,67,31,483)
Others	16,49,250	26,49,250
Less: Prov for Diminution	-	(5,76,987)
	16,49,250	20,72,263
<b>Schedule 6</b>		
Cash and Bank Balances		
Balances with Banks	13,95,087	7,15,990
Cash in Hand	-	-
	13,95,087	7,15,990
<b>Schedule 7</b>		
Loans & Advances		
Tax Deducted at Source	6,205	6,205
Tax Collected at Source	-	5,031
Advance Tax	63,000	-
Refund Due from Income Tax	4,22,588	4,22,588
Prov for Income Tax	-60,589	-2,71,471
Input Tax Credit	9,000	-
Prepaid Expenses	11,010	-
Advance twds Purch of Property	15,00,000	15,00,000
Due from Contractual Obligations	1,23,61,470	1,20,47,689
Less: Provisions made	(1,23,61,470)	(1,20,47,689)
Advance for Aqsn of Ship	23,18,51,837	23,18,51,837
Less: Provisions made	(23,18,51,837)	(23,18,51,837)
Others	-	7,965
	19,51,214	16,70,318

Operating Profit	1,36,95,868
	20%
	27,39,174
Tr to Tonnage Reserve	27,39,000

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**BUHARI HOLDINGS PRIVATE LIMITED**  
**NO.5, MOORES ROAD, CHENNAI - 600 006**  
**PROVISIONAL UNAUDITED BALANCE SHEET AS AT 31ST MARCH 2022**

Particulars	Note No	Shipping Related	Others (unallocable to Shipping business)	As at 31st March 2022	As at 31st March 2021
<b>EQUITY AND LIABILITIES</b>					
Shareholders' funds					
(a) Share capital	1	-	9,47,80,200	9,47,80,200	9,47,80,200
(b) Reserves and surplus	2	9,16,18,498	(67,61,42,994)	(58,63,72,304)	(67,93,05,837)
		9,16,18,498	(58,13,62,794)	(49,15,92,104)	(58,45,25,637)
Non-current liabilities					
(a) Long-term borrowings	3	-	1,21,79,99,625	1,21,79,99,625	1,16,68,14,316
(b) Long-term provisions	4	-	2,69,644	2,69,644	5,39,288
		-	1,21,82,69,269	1,21,82,69,269	1,16,73,53,604
Current liabilities					
(a) Other current liabilities	5	9,59,44,455	2,21,02,56,707	2,30,62,01,162	1,67,32,44,939
		9,59,44,455	2,21,02,56,707	2,30,62,01,162	1,67,32,44,939
<b>TOTAL</b>		<b>18,75,62,953</b>	<b>2,81,26,02,359</b>	<b>3,14,52,56,854</b>	<b>2,25,60,72,906</b>
<b>ASSETS</b>					
Non-current assets					
(a) Property, Plant and Equipment	6	18,76,11,944	6,93,95,640	25,70,07,584	12,82,87,666
(b) Non-current investments	7	-	19,47,51,284	19,47,51,284	19,47,51,284
(c) Long-term loans and advances	8	(2,24,495)	1,18,16,65,064	1,18,14,40,568	1,05,07,47,556
(d) Other Non-Current Assts	9	-	5,76,752	5,76,752	5,76,752
		18,73,87,448	1,44,63,88,739	1,63,37,76,188	1,37,43,63,258
Current assets					
(a) Trade receivables	10	-	1,39,68,541	1,39,68,541	2,33,07,319
(b) Cash and cash equivalents	11	1,75,505	15,07,50,598	15,09,26,102	22,73,16,433
(c) Short-term loans and advances	12	-	1,14,42,65,065	1,14,42,65,065	58,76,93,655
(d) Other current assets	13	-	5,74,53,912	5,74,53,912	4,33,92,241
		1,75,505	1,36,64,38,115	1,36,66,13,620	88,17,09,648
<b>TOTAL</b>		<b>18,75,62,953</b>	<b>2,81,28,26,854</b>	<b>3,00,03,89,807</b>	<b>2,25,60,72,906</b>
Significant Accounting Policies	A				
Notes annexed to and forming part of the Financial Statements	1-19				

<b>BUHARI HOLDINGS PRIVATE LIMITED</b> <b>NO.5,MOORES ROAD, BUHARI BUILDING, CHENNAI-600006</b> <b>PROVISIONAL UNAUDITED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022</b>					
(in Rupees)					
Particulars	Note No	Shipping Related	Others (unallocable to Shipping business)	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Revenue from operations	14	5,81,26,986	1,05,76,416	12,72,59,707	5,58,51,381
Other income	15	5,87,75,208	1,97,50,613	7,85,25,821	3,32,36,202
<b>Total Income</b>		<b>11,69,02,194</b>	<b>3,03,27,029</b>	<b>14,70,10,321</b>	<b>8,90,87,583</b>
<b>Expenses:</b>					
Employee benefits expense	16	-	50,45,665	50,45,665	71,10,966
Finance costs	17	-	26,131	26,131	1,10,365
Depreciation and amortization expense	6	90,99,844	45,86,040	1,36,85,884	1,53,15,315
Other expenses	18	2,38,15,774	94,25,436	3,32,41,210	13,28,48,138
<b>Total expenses</b>		<b>3,29,15,618</b>	<b>1,90,83,272</b>	<b>5,19,98,891</b>	<b>15,53,84,784</b>
<b>Profit before extraordinary items and Tax</b>		<b>8,39,86,575</b>	<b>1,12,43,757</b>	<b>9,31,58,029</b>	<b>(6,62,97,201)</b>
<b>Profit before tax</b>		<b>8,39,86,575</b>	<b>1,12,43,757</b>	<b>9,31,58,029</b>	<b>(6,62,97,201)</b>
<b>Tax expense:</b>					
(1) Current tax		2,24,495	-	2,24,495	17,04,048
(2) MAT Credit availed		-	-	-	-
<b>Profit (Loss) for the period</b>		<b>8,37,62,080</b>	<b>1,12,43,757</b>	<b>9,29,33,533</b>	<b>(6,80,01,249)</b>
<b>Balance carried to Balance sheet</b>					
<b>Earnings per equity share:</b>					
(1) Basic	19	88.38	11.86	98.05	(71.75)
(2) Diluted		88.38	11.86	98.05	(71.75)
<b>Significant Accounting Policies</b>	A				
Notes annexed to and forming part of the Financial Statements	1-19				

**BUHARI HOLDINGS PRIVATE LIMITED**  
**NO.5, MOORES ROAD, BUHARI BUILDING, CHENNAI - 600 006**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 1**

Share Capital	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
<b>Authorised</b> 10,00,000 Equity Shares of Rs.100/- each (Previous Year 10,00,000 Equity Shares of Rs.100/-each)	10,00,00,000	10,00,00,000
<b>Issued, Subscribed and Fully Paid up</b> 9,47,802 Equity Shares of Rs.100/- each (Previous Year 9,47,802 Equity Shares of Rs.100/- each)	9,47,80,200	9,47,80,200
<b>Total</b>	<b>9,47,80,200</b>	<b>9,47,80,200</b>

**Note 1(a)**

Particulars	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
Shares outstanding at the beginning of the year	9,47,802	9,47,802
Shares Issued during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>9,47,802</b>	<b>9,47,802</b>

**Terms/Rights attached to Equity Shares**

The Company has only one class of Equity shares at par value of Rs. 100 per share with voting rights.  
Each holder of equity shares is entitled to one vote per equity share.

**Note 1(b)**

Name of Shareholders (Holding more than 5% of share capital)	No. of Shares held (As at 31.03.2022)	% of Holding	No. of Shares held (As at 31.03.2021)	% of Holding
1. Mr. Arif B Rahman	1,77,343	18.71	1,77,343	18.71
2. Mr. Abdul Qadir	1,77,343	18.71	1,77,343	18.71
3. Mr. Ahmed A R Buhari	1,77,343	18.71	1,77,343	18.71
4. Mr. Ashraf A R Buhari	1,77,343	18.71	1,77,343	18.71
5. Mrs. Qurrath Jameela	87,647	9.25	87,647	9.25
6. Mrs. Mariam Habeeb	87,124	9.19	87,124	9.19
7. Mrs. Rahmathunuissa	61,088	6.45	61,088	6.45

As per the records of the Company, including its Register of Shareholders/Members, the above shares represent legal and beneficial ownership of shares. The Company has neither bought back nor issued any bonus shares in the last five years.

**BUHARI HOLDINGS PRIVATE LIMITED**  
**NO.5, MOORES ROAD, BUHARI BUILDING, CHENNAI - 600 006**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 2**

Reserves & Surplus	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
<b>(a) Capital Reserve</b>				
Opening Balance		13,17,45,177	13,17,45,177	13,17,45,177
(+) Current Year Transfer				
(-) Written Back in Current Year				
Closing Balance	-	13,17,45,177	13,17,45,177	13,17,45,177
<b>(b) Tonnage Tax Reserve</b>				
Opening Balance	3,01,19,340	-	3,01,19,340	3,76,41,540
(+) Current Year Transfer				
(-) Written Back in Current Year				(75,22,200)
Closing Balance	3,01,19,340	-	3,01,19,340	3,01,19,340
<b>(c) Securities Premium</b>				
Opening Balance		76,84,274	76,84,274	76,84,274
(+) Current Year Transfer				
(-) Written Back in Current Year				
Closing Balance	-	76,84,274	76,84,274	76,84,274
<b>(d) General Reserve</b>				
Opening Balance	4,19,30,674	1,93,83,878	6,13,14,552	5,37,92,352
(+) Current Year Transfer				75,22,200
Closing Balance	4,19,30,674	1,93,83,878	6,13,14,552	6,13,14,552
<b>(e) Surplus</b>				
Opening balance	(6,41,93,596)	(84,59,75,584)	(91,01,69,180)	(84,21,67,932)
(+) Net Profit/(Net Loss) For the current year	8,37,62,080	1,10,19,262	9,29,33,533	(6,89,01,249)
(-) Transferred to Tonnage Tax Reserve				
Closing Balance	1,95,68,484	(83,49,56,323)	(81,72,35,647)	(91,01,69,180)
<b>Total</b>	9,16,18,498	(67,61,42,994)	(58,63,72,304)	(67,93,05,837)

**NOTE 3**

Long Term Borrowings	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
<b>Secured</b>				
<b>(a) Long Term Maturities of Finance Lease obligations ##</b>				
Less: Current Maturities of Finance Lease Obligations (Note 5(a))				4,66,351
				(4,66,351)
<b>Unsecured</b>				
<b>(b) Loans and advances from Key Managerial Personnel, their relatives and entities in which they are interested**</b>		1,21,79,99,625	1,21,79,99,625	1,16,68,14,316
<b>Total</b>	-	1,21,79,99,625	1,21,79,99,625	1,16,68,14,316

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NOTE 4				
Long Term Provisions	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
(a) Provision for Gratuity		2,69,644	2,69,644	5,39,288
<b>Total</b>		<b>2,69,644</b>	<b>2,69,644</b>	<b>5,39,288</b>
NOTE 5				
Other Current Liabilities	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
(a) Creditors for Expenses		23,41,184	23,41,184	18,26,448
(b) Statutory dues Payable		6,32,842	6,32,842	5,04,457
(c) Other Payables	9,59,44,455	43,50,76,016	53,10,20,471	4,63,23,742
(d) Security Deposits		58,05,364	58,05,364	41,66,550
(e) Capital Advance received		51,95,75,000	51,95,75,000	51,67,00,000
(f) Advances		1,24,68,26,300	1,24,68,26,300	1,10,32,57,391
<b>Total</b>	<b>9,59,44,455</b>	<b>2,21,02,56,707</b>	<b>2,30,62,01,162</b>	<b>1,67,32,44,939</b>
NOTE 8				
Long Term Loans and Advances	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
(a) Loans and advances:				
I. To related parties		29,68,00,836	29,68,00,836	22,58,24,000
II. To others		82,47,62,697	82,47,62,697	81,42,92,699
Less: Provision for Doubtful Loans and Advances		(1,04,00,602)	(1,04,00,602)	(1,04,00,602)
		1,11,11,62,931	1,11,11,62,931	1,02,97,16,097
(b) Mat Credit		53,65,598	53,65,598	53,65,598
(c) Advance Tax and TDS Receivable (Net of Provision for Tax - CY - 2,04,35,903 ; PY - 2,02,11,408)	(2,24,495)	6,51,36,535	6,49,12,039	1,56,65,861
<b>Total</b>	<b>(2,24,495)</b>	<b>1,18,16,65,064</b>	<b>1,18,14,40,568</b>	<b>1,05,07,47,556</b>
NOTE 9				
Other Non-Current Assets	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
(a) Security Deposits		5,76,752	5,76,752	5,76,752
		5,76,752	5,76,752	5,76,752
NOTE 10				
Trade Receivables	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
Unsecured, considered good				
a) Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment	21,20,89,348	1,73,32,633	22,94,21,981	23,89,91,311
b) Others		12,64,153	12,64,153	10,33,601
Less: Provision for bad and doubtful debts	(21,20,89,348)	(46,28,245)	(21,67,17,593)	(21,67,17,593)
<b>Total</b>	<b>-</b>	<b>1,39,68,541</b>	<b>1,39,68,541</b>	<b>2,33,07,319</b>

NOTE 11				
Cash and cash equivalents	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
(a) Balances with banks				
-In Current Account	1,75,505	15,06,62,576	15,08,38,080	17,08,16,397
-In Deposit Account		-		5,65,00,000
(b) Cash on hand		88,022	88,022	36
<b>Total</b>	<b>1,75,505</b>	<b>15,07,50,598</b>	<b>15,09,26,102</b>	<b>22,73,16,433</b>
Bank Deposits having less than 12 Months maturity	-	-	-	5,65,00,000
NOTE 12				
Short-term loans and advances	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
(a) Staff Loan and Advances		34,04,534	34,04,534	27,06,048
(b) Prepaid expenses		4,16,630	4,16,630	3,14,041
(c) Other Loans and Advances		92,55,72,668	92,55,72,668	47,90,63,755
(d) Trade Advances		60,80,05,863	60,80,05,863	49,87,44,441
Less: Provision for Doubtful Advances		(39,31,34,630)	(39,31,34,630)	(39,31,34,630)
<b>Total</b>	<b>-</b>	<b>1,14,42,65,065</b>	<b>1,14,42,65,065</b>	<b>58,76,93,655</b>
NOTE 13				
Other Current Assets	Shipping Related	Others (unallocable to Shipping business)	As at 31.03.2022 Amount (In Rs.)	As at 31.03.2021 Amount (In Rs.)
(a) Accrued Interest		5,74,53,912	5,74,53,912	4,33,92,241
<b>Total</b>	<b>-</b>	<b>5,74,53,912</b>	<b>5,74,53,912</b>	<b>4,33,92,241</b>

**BUHARI HOLDINGS PRIVATE LIMITED**  
**NO.5, MOORES ROAD, BUHARI BUILDINGS, CHENNAI-600006**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 14**

Revenue from Operations	Shipping Related	Others (unallocable to Shipping business)	Year ended 31.03.2022 Amount (In Rs.)	Year ended 31.03.2021 Amount (In Rs.)
Sale of services		1,05,76,416	1,05,76,416	96,13,878
Other operating revenues				
Shipping Income - Gem of Ennore	3,07,09,403	-	3,07,09,403	4,62,37,503
Shipping Income - Intersea Voyager	2,45,63,268	-	2,45,63,268	-
Sale of Materials	28,54,314	-	28,54,314	-
Profit on Sale of Ship	-	-	-	-
<b>Total</b>	<b>5,81,26,986</b>	<b>1,05,76,416</b>	<b>12,72,59,707</b>	<b>5,58,51,381</b>

**NOTE 15**

Other Income	Shipping Related	Others (unallocable to Shipping business)	Year ended 31.03.2022 Amount (In Rs.)	Year ended 31.03.2021 Amount (In Rs.)
Interest Income		2,23,61,766	2,23,61,766	2,33,82,627
Dividend Income		1,52,317	1,52,317	1,64,500
Share of Profit from Partnership firm*		(27,87,470)	(27,87,470)	70,79,738
Provision for doubtful debts - Reversed		-	-	-
Balances Written Back		-	-	2,20,584
Miscellaneous Income	2,68,411	24,000	2,92,411	60,062
Profit on sale of Fixed Assets	5,85,06,797	-	5,85,06,797	-
Profit on Sale of Shares		-	-	23,28,691
<b>Total</b>	<b>5,87,75,208</b>	<b>1,97,50,613</b>	<b>7,85,25,821</b>	<b>3,32,36,202</b>

\* Share of profit pertaining to FY 21-22 has been recognised during the year based on Provisional financials.

**NOTE 16**

Employee Benefits Expense	Shipping Related	Others (unallocable to Shipping business)	Year ended 31.03.2022 Amount (In Rs.)	Year ended 31.03.2021 Amount (In Rs.)
(a) Salaries, Bonus and Allowances		41,92,116	41,92,116	62,41,130
(b) Staff welfare expenses		8,53,549	8,53,549	6,00,192
<b>Total</b>	<b>-</b>	<b>50,45,665</b>	<b>50,45,665</b>	<b>71,10,966</b>

**NOTE 17**

Finance costs	Shipping Related	Others (unallocable to Shipping business)	Year ended 31.03.2022 Amount (In Rs.)	Year ended 31.03.2021 Amount (In Rs.)
Interest expense		16,914	16,914	87,468
Bank charges		5,913	5,913	18,665
Other Processing Charges		3,304	3,304	4,232
<b>Total</b>	<b>-</b>	<b>26,131</b>	<b>26,131</b>	<b>1,10,365</b>

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NOTE 18				
Other expenses	Shipping Related	Others (unallocable to Shipping business)	Year ended 31.03.2022 Amount (In Rs.)	Year ended 31.03.2021 Amount (In Rs.)
<b>Direct Expenses</b>				
Direct voyage expenses	5,235		5,235	72,947
Crew Costs	68,47,270		68,47,270	1,23,16,792
General Expenses	4,21,843		4,21,843	5,69,638
Insurance Expenses	14,03,477		14,03,477	35,12,726
Power & Fuel	17,60,881		17,60,881	27,18,968
Other expenses	5,26,082		5,26,082	1,69,983
Repairs & Maintenance	5,06,588		5,06,588	13,34,753
Spares & Freight	3,26,211		3,26,211	11,30,004
Stores Expenses	2,40,675		2,40,675	25,59,076
Foreign Exchange Fluctuation	44,99,066		44,99,066	54,062
Management Expenses	9,61,603		9,61,603	20,71,200
Dry Docking expenses	4,01,301		4,01,301	12,11,526
Establishment expenses	2,58,554		2,58,554	4,526
Interest	28,21,473		28,21,473	-
Cost of Materials Sold	28,35,516		28,35,516	-
<b>Other Administration expenses</b>				
Payment to Statutory Auditors		2,00,000	2,00,000	2,00,000
- Statutory audit		-	-	1,50,000
- Company Law and Other Matters		-	-	-
Brokerage		5,50,000	5,50,000	-
Business Promotion Expenses		4,23,140	4,23,140	56,757
Communication expenses		4,12,164	4,12,164	3,60,531
Professional and Consultancy charges		10,09,000	10,09,000	1,21,321
Donation		20,85,708	20,85,708	24,36,755
Electricity Charges		-	-	2,32,870
Repair and Maintenance Expenses:				
- Building		32,42,140	32,42,140	22,16,831
- Machinery		3,23,196	3,23,196	2,85,205
- Vehicles		2,57,434	2,57,434	53,662
Printing & Stationery		13,799	13,799	22,365
Insurance		1,09,087	1,09,087	1,32,028
Provision for bad debt and doubtful debts		-	-	9,63,33,416
Bad Debts written off		-	-	18,23,379
Registration Expenses		-	-	810
Rates & Taxes		3,92,794	3,92,794	5,01,900
Travelling Expenses		1,41,441	1,41,441	79,738
Miscellaneous Expenses		2,65,533	2,65,533	1,14,370
<b>Total</b>	<b>2,38,15,774</b>	<b>94,25,436</b>	<b>3,32,41,210</b>	<b>13,28,48,138</b>
<b>NOTE 19</b>				
Calculation of Basic & Diluted EPS	Shipping Related	Others (unallocable to Shipping business)	Year ended 31.03.2022 Amount (In Rs.)	Year ended 31.03.2021 Amount (In Rs.)
Net Profit / (Loss) attributable to Equity Shareholders	8,37,62,080	1,12,43,757	9,29,33,533	(6,80,01,249)
Weighted average number of equity shares outstanding during the period (In Nos.)	9,47,802	9,47,802	9,47,802	9,47,802
<b>Basic &amp; Diluted EPS</b>	<b>88.38</b>	<b>11.86</b>	<b>98.05</b>	<b>(71.75)</b>

Buhari Holdings Private Limited  
Draft Fixed Asset Register

Note : 6  
Depreciation as per Companies Act 2013

S.No	Particulars	Gross Block			Accumulated Depreciation			Not Block		
		Cost as on 01.04.2021	Additions during the year	Disposal/ (Adjustments)	Balance as on 31.03.2022	Balance as on 01.04.2021	On Opening & Additions	For the Year On Disposals	Balance as on 31.03.2022	Balance as on 31.03.2021
	Property, Plant & Equipment									
	Land	3,26,59,342			3,26,59,342				3,26,59,342	3,26,59,342
	Building	6,29,57,806			6,29,57,806	3,08,38,234	15,61,468		3,23,99,702	3,21,19,572
	Ship	34,26,25,066	19,31,47,200	34,26,25,066	19,31,47,200	20,80,43,061	90,99,844	29,16,07,649	55,35,256	5,45,02,004
	Furniture & Fittings	1,84,60,781			1,84,60,781	1,60,61,491	9,73,050		1,70,34,540	23,99,290
	Electrical Fittings	3,06,692	27,232		3,33,924	2,05,741	53,984		2,59,724	1,00,951
	Computer	20,98,925			20,98,925	17,59,900	1,38,989		18,98,889	3,39,025
	Office Equipment	77,19,124	2,48,706		79,67,910	72,37,881	1,22,547		73,60,427	4,81,244
	Motor Cars	1,48,29,840			1,48,29,840	92,37,108	17,36,084		1,09,73,112	55,92,732
	Motor Cycles	2,70,128			2,70,128	2,56,622			2,56,622	13,506
	Grand Total	48,19,27,704	19,34,23,218	34,26,25,066	33,27,25,857	35,36,40,037	1,36,05,884	29,16,07,649	7,57,18,273	25,70,07,584
	Previous year total	48,01,93,046	17,34,658		48,19,27,704	33,83,24,723	1,53,15,315		35,36,40,037	12,82,87,667

**BUHARI HOLDINGS PRIVATE LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note: 7: Non Current Investments**

DESCRIPTION	AS AT 31.03.2022		AS AT 31.03.2021	
	Nos	Amount (Rs.)	Nos	Amount (Rs.)
<b>1) TRADE INVESTMENTS - Unquoted</b>				
<b>INVESTMENTS IN EQUITY INSTRUMENTS</b>				
<b>1) Subsidiary</b>				
Equity shares of Rs.10 each				
Buhari Auto Holdings P Ltd	19,90,000	3,15,22,617	19,90,000	3,15,22,617
Trans Tempo P Ltd	9,99,800	1,00,13,250	9,99,800	1,00,13,250
Equity shares of Rs.100 each				
Transcar India Pvt Ltd	10,19,647	16,07,79,428	10,19,647	#####
<b>2) Associate</b>				
Equity shares of Rs.10 each				
Bhari Industrial Promoters P Ltd	29,876	2,98,760	29,876	2,98,760
Nandhi Hills and Resorts Ltd	23,40,110	4,15,00,199	23,40,110	4,15,00,199
Chennai Citi Center Holdings P Ltd	1,93,92,234	13,14,68,268	1,93,92,234	#####
Buhari facility management P Ltd	10,000	1,00,000	10,000	1,00,000
West Asia exports & Imports P Ltd	-	-	-	-
Haja Spinners P Ltd	4,760	47,60,000	4,760	47,60,000
<b>2) Others</b>				
Equity shares of Rs.10 each				
East coast constructions and Industries Ltd	63,28,148	36,83,87,583	63,28,148	#####
Indian Publications Limited	10,000	1,00,000	10,000	1,00,000
Sarjah Avenue Prop P Ltd	15,000	1,50,000	15,000	1,50,000
Melatheru Mining Co P Ltd	3,35,000	33,50,000	3,35,000	33,50,000
West Asia Maritime Limited	24,70,851	1,46,85,049	24,70,851	1,46,85,049
Omega Cables P Ltd	18,05,086	1,80,50,860	18,05,086	1,80,50,860
Pac Industries P Ltd	10,000	1,00,000	10,000	1,00,000
Quoted Equity shares of Rs.10 each				
Syed Cotton Mills Ltd	500	50,125	500	50,125
Equity shares of Rs.100 each				
Sayed Shariat Finance Ltd	11,750	11,75,000	11,750	11,75,000
Spacio Designs P Ltd	10,000	10,00,000	10,000	10,00,000
<b>Total Non Current Investments in Equity</b>	<b>3,67,82,762</b>	<b>78,74,91,139</b>	<b>3,67,82,762</b>	<b>78,74,91,139</b>
<b>Aggregate value of unquoted Investments</b>	<b>3,67,82,762</b>	<b>78,74,91,139</b>	<b>3,67,82,762</b>	<b>78,74,91,139</b>
<b>II) Investments in Partnership Firms **</b>				
<b>1) Capital Account</b>				
Buhari Estate & Co		5,46,000		5,46,000
Commercial Combines		9,49,691		9,49,691
Sembi Advertisements		40,00,000		40,00,000
Hallery Estate		11,63,760		11,63,760
<b>2) Current Account</b>				
Commercial Combines		4,60,000		4,60,000
Sembi Advertisements		15,15,894		15,15,894
<b>Total - Non Current Investments in Partnership Firms</b>		<b>86,35,345</b>		<b>86,35,345</b>
<b>Less: Provision for diminution in investments</b>				
East Coast Constructions and Industries Ltd		36,83,87,583		36,83,87,583
Spacio Designs P Ltd		10,00,000		10,00,000
Melatheru Mining Co P Ltd		33,50,000		33,50,000
Indian Publications Limited		1,00,000		1,00,000
Commercial Combines		14,09,691		14,09,691
Trans Tempo P Ltd		1,00,13,250		1,00,13,250
Transcar India Pvt Ltd		16,07,79,428		#####
West Asia Maritime Limited		1,46,85,049		1,46,85,049
Sarjah Avenue Prop P Ltd		1,50,000		1,50,000
Nandhi Hills and Resorts Ltd		4,15,00,199		4,15,00,199
<b>Total Provisions for investment in Equity</b>		<b>60,13,75,200</b>		<b>60,13,75,200</b>
<b>Total Non Current Investments - Net</b>		<b>19,47,51,284</b>		<b>19,47,51,284</b>

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BALANCE SHEET AS AT ....		in INR	
		PROVISIONAL 31-Mar-22	AUDITED 31-Mar-21
<b>Shareholders Funds</b>		<b>85,39,88,383</b>	<b>10,64,63,806</b>
Share Capital	1	88,65,55,770	55,79,07,880
Reserves and Surplus	2	(3,25,67,387)	(45,14,44,074)
<b>Loan Funds</b>		<b>26,50,970</b>	<b>1,39,02,184</b>
Secured Loans	3	26,50,970	37,02,184
Unsecured Loans (Loan from MD)		-	1,02,00,000
<b>Curr Liab &amp; Provs</b>		<b>1,54,34,060</b>	<b>3,45,93,645</b>
Trade Payables		70,33,945	2,41,12,379
Other Liab	4	84,00,115	1,04,81,266
<b>TOTAL</b>		<b>87,20,73,413</b>	<b>15,49,59,635</b>
<b>Fixed Assets</b>		<b>65,47,94,875</b>	<b>5,90,26,439</b>
Gross Block	5	68,10,16,999	85,99,40,662
Less Depreciation		(2,62,22,124)	(79,99,14,223)
<b>Investments</b>		<b>-</b>	<b>-</b>
<b>Current assets, loans &amp; Adv.</b>		<b>21,72,78,538</b>	<b>9,59,33,196</b>
Inventories		26,62,585	65,74,235
Sundry Debtors		1,51,30,000	(50,45,476)
Cash and Bank Balances	6	2,64,87,499	1,05,75,648
Loans & Advances	7	63,76,835	45,22,913
Co-owners Acct	8	15,56,12,170	7,12,03,852
Deposits	9	1,01,00,000	1,00,000
Other Curr Assets	10	9,09,460	79,02,024
<b>TOTAL</b>		<b>87,20,73,413</b>	<b>15,49,59,635</b>

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**INTERSEA MARITIME LTD**  
 (formerly "East Coast Terminal Operations And Port Services")  
 Buhari Towers, 6th Floor, No.4, Moores Road, Chennai - 600 006

In INR

PROFIT AND LOSS ACCOUNT	PROVISIONAL	AUDITED
	31-Mar-22	31-Mar-21
<b>Income</b>	<b>54,39,01,322</b>	<b>16,18,31,259</b>
Freight/Charter Hire Income	19,37,81,627	16,18,31,259
Profit on sale of Asset	34,03,61,219	
Other Income	97,58,476	
<b>Direct Voyage Expenses</b>		<b>2,81,294</b>
<b>Not Income</b>	<b>54,39,01,322</b>	<b>16,15,49,966</b>
<b>Expenditure And Charges</b>	<b>10,04,01,240</b>	<b>13,16,75,172</b>
Operating Expenses	6,19,49,215	9,70,50,361
Drydocking Expenses		
Administrative expenses	3,84,52,025	3,46,24,811
<b>EBITDA</b>	<b>44,35,00,082</b>	<b>2,98,74,793</b>
Finance Cost	1,05,11,114	17,12,274
Depreciation	3,16,66,327	4,97,85,292
<b>Profit Before Tax</b>	<b>40,13,22,641</b>	<b>(2,16,22,773)</b>
Extra Ordinary items <sup>1</sup>		(6,14,73,898)
<b>Profit/(Loss) After Extra Ord Items</b>	<b>40,13,22,641</b>	<b>(8,30,96,671)</b>
Deferred /Corp/ Tonnage Tax	28,11,438	24,00,800
<b>Profit After Tax</b>	<b>39,85,11,203</b>	<b>(8,54,97,471)</b>
Dividend Dist		
<b>N/P Trsfr to Res &amp; Surp</b>	<b>39,85,11,203</b>	
<sup>1</sup> Extra Ordinary Items		(6,14,73,898)
Add: Written off		17,85,553
Less: Provision for advances		(6,32,59,451)
Add: Doubtful debts -Written back	0	
Less: Extra Ordinary items		

		in INR	
SCHEDULES		PROVISIONAL 31-Mar-22	AUDITED 31-Mar-21
<b>Schedule 1</b>			
<b>Share Capital</b>			
<b>a. Authorised</b>			
Equity Shares of Rs.10/- each	6,00,00,000		60,00,00,000
Add: Addtl Approval for Equity Shares of Rs.10/- each during the Year 2021-22	<u>3,00,00,000</u>		
Total Authorised Sh Cap	<u>9,00,00,000</u>	<u>90,00,00,000</u>	
		<u>90,00,00,000</u>	<u>60,00,00,000</u>
<b>b. Issued, Subscribed &amp; Paid-Up</b>			
On 31-Mar-2021 Equity Shares of Rs.10 /- each	5,57,90,788		55,79,07,880
Add: Issued Equity Shares @ Rs.10/- each during the Year 2021-22	<u>3,28,64,789</u>		
Total Equity Shares of Rs.10 each on 31-Mar-22	<u>8,86,55,577</u>	<u>88,65,55,770</u>	
		<u>88,65,55,770</u>	<u>55,79,07,880</u>
<b>Schedule 2</b>			
<b>Reserves &amp; Surplus</b>			
<b>(a) Securities Premium</b>		<u>2,03,65,484</u>	-
<b>(b) Tonnage Tax Reserve u/s 115VT of the Income Tax Act, 1961</b>		<u>96,78,000</u>	<u>8,60,00,000</u>
As per last Balance Sheet		8,60,00,000	9,27,00,000
Less: Transferred to Profit & Loss Account		-8,60,00,000	-67,00,000
Add: Transferred from Profit & Loss Account		96,78,000	
<b>(c) Surplus in Statement of Profit and Loss Account</b>		<u>-6,26,10,871</u>	<u>-53,74,44,074</u>
As per last Balance Sheet		-53,74,44,074	-45,86,46,603
Add: Transferred from Profit & Loss Account		39,85,11,203	-8,54,97,471
Less: Transferred from Tonnage Tax Reserve		8,60,00,000	67,00,000
Less: Transferred to Tonnage Tax Reserve		-96,78,000	
Total (a)+(b)+(c)		<u>-3,25,67,387</u>	<u>-45,14,44,074</u>
<b>Schedule 3</b>			
<b>Secured Loan</b>			
Loan with HDFC		19,96,084	27,27,986
Loan with HDFC		<u>6,54,886</u>	<u>9,74,198</u>
		<u>26,50,970</u>	<u>37,02,184</u>
<b>Schedule 4</b>			
<b>Other Curr Liabilities</b>			
Stat Liab (TDS / PF / ES)		26,25,528	52,84,387
Payable to Floating Staff		49,24,248	42,28,680
Other Liab		<u>8,50,339</u>	<u>9,68,199</u>
		<u>84,00,115</u>	<u>1,04,81,266</u>
<b>Schedule 5</b>			
<b>Cash and Bank Balances</b>			
Balances with Banks		2,64,17,129	1,06,02,524
Cash in Hand		<u>70,359</u>	<u>73,124</u>
		<u>2,64,87,488</u>	<u>1,06,75,648</u>
<b>Schedule 7</b>			
<b>Loans &amp; Advances</b>			
Tax Deducted at Source		18,18,059	8,58,545
Tax Collected at Source		20,899	28,886
Advance Tax		40,58,427	40,03,427
Refund Due from Income Tax		7,13,117	14,80,236
Prov for Income Tax		-59,62,929	-71,16,734
Input Tax Credit		33,22,867	48,84,271
Prepaid Expenses		24,06,395	3,84,282
Advance for Acqn of Ship		3,96,00,000	3,96,00,000
Less: Provisions made		<u>-3,96,00,000</u>	<u>-3,96,00,000</u>
		<u>63,76,835</u>	<u>45,22,913</u>

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<b>Schedule 8</b>		
Co-owners Acct		
WAM (GOE)	58,61,89,446	57,62,58,636
Less: Provs	(57,62,58,636)	(57,62,58,636)
Buhari (GOE)	9,59,44,455	4,69,01,091
Four M (GOE)	4,97,36,905	2,43,02,761
	<b>15,56,12,170</b>	<b>7,12,03,852</b>
<b>Schedule 9</b>		
Deposits		
With Banks	1,00,00,000	-
Security Deposit	1,00,000	1,00,000
Intercompany Deposits	4,24,00,000	4,24,00,000
Less: Provisions made	(4,24,00,000)	(4,24,00,000)
	<b>1,01,00,000</b>	<b>1,00,000</b>
<b>Schedule 10</b>		
Other Current Assets		
Insurance Claims	5,99,804	67,69,208
Emp Loan	2,76,931	7,37,602
Others	32,725	3,95,214
	<b>9,09,460</b>	<b>79,02,024</b>

Operating Profit	4,83,91,508
	20%
	96,78,302
Tr to Tonage Reserve	96,78,000

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF FOUR M MARITIME PRIVATE LIMITED AT ITS MEETING HELD ON 19<sup>TH</sup> NOVEMBER 2021 PURSUANT TO SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST FOUR M MARITIME PRIVATE LIMITED ('TRANSFEROR COMPANY') AND BUHARI HOLDINGS PRIVATE LIMITED ('DEMERGED COMPANY') AND INTERSEA MARITIME LIMITED ('TRANSFeree COMPANY' / 'RESULTING COMPANY') AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ('SCHEME') UNDER SECTIONS 230 TO 232 READ WITH OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

#### 1. Background

Provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.

#### 2. Scheme

The Scheme provides for the following to take place chronologically:

- a) Reduction of share capital of the Transferee Company as envisaged in Part II of the Scheme.
- b) Selective reduction of share capital of the Transferor Company as envisaged in Part III of the Scheme.
- c) Amalgamation of the entire undertaking of the Transferor Company with the Transferee Company as envisaged in Part IV of the Scheme.
- d) Demerger of the shipping undertaking of the Demerged Company into the Resulting Company as envisaged in Part V of the Scheme.

The Scheme was unanimously approved by the Board of Directors of the Transferor Company vide resolution dated 19<sup>th</sup> November 2021.

The following documents were placed before the Board:

1. Draft Scheme initialed by a Director for the purposes of identification;
2. Memorandum of Association and Articles of Association of the Transferor Company and the Transferee Company.

The following is the Report taking into consideration the aforesaid provisions:

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**3. Share Exchange Ratio**

**Swap Ratio for Amalgamation of Four M into INTERSEA:**

26 fully paid Equity shares of face value of Rs.10/- each of INTERSEA for every 1 equity share of Rs.100/- each held by shareholders in Four M

**Share entitlement for demerger of shipping undertaking of Buhari:**

1,13,73,624 Equity shares in INTERSEA to shareholders of the Demerged Undertaking of Buhari.

**4. Effect of the Scheme on Directors and Key Managerial Personnel (KMP)**

**KMPs as shareholders**

The Directors and KMP and their respective relatives of the Transferor Company may be affected only to the extent of their shareholding in the Transferor Company, or to the extent that the said Directors/ KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the Transferor Company, if any. As such there will be no adverse impact to the Directors and KMPs as shareholders consequent to the Scheme.

**KMPs as executives**

The employees of the Transferor Company and who are in such employment as on the Effective Date shall become executive, staff, workmen and employees of the Transferee Company from the Appointed Date or their respective joining date, whichever is later.

Hence, there would be no impact on KMP as executives of the Transferor Company.

**5. Effect of the Scheme on Equity Shareholders (Promoter and Non-Promoter Shareholders)**

Promoter shareholders of the Transferor Company shall be affected only to the extent of their shareholding in the Transferor Company. As such there will be no adverse impact consequent to the Scheme.

Non-Promoter shareholders of the Transferor Company shall also not be affected

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BUHARI HOLDINGS PRIVATE LIMITED AT ITS MEETING HELD ON 19TH NOVEMBER 2021 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST FOUR M MARITIME PRIVATE LIMITED ("TRANSFEROR COMPANY") AND BUHARI HOLDINGS PRIVATE LIMITED ("DEMERGED COMPANY") AND INTERSEA MARITIME LIMITED ("TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME") UNDER SECTIONS 230 TO 232 READ WITH OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL

#### 1. Background

Provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.

#### 2. Scheme

The Scheme provides for the following to take place chronologically:

- e) Reduction of share capital of the Transferee Company as envisaged in Part II of the Scheme.
- f) Selective reduction of share capital of the Transferor Company as envisaged in Part III of the Scheme.
- g) Amalgamation of the entire undertaking of the Transferor Company with the Transferee Company as envisaged in Part IV of the Scheme.
- h) Demerger of the shipping undertaking of the Demerged Company into the Resulting Company as envisaged in Part V of the Scheme.

#### 3. Share Exchange Ratio

Swap Ratio for Amalgamation of Four M into INTERSEA:

26 fully paid Equity shares of face value of Rs.10/- each of INTERSEA for every 1 equity share of Rs.100/- each held by shareholders in Four M

Share entitlement for demerger of shipping undertaking of Buhari:

1,13,73,624 Equity shares in INTERSEA to shareholders of the Demerged Undertaking of Buhari.

#### 4. Effect of the Scheme on Directors and Key Managerial Personnel (KMP)

The Directors and KMP and their respective relatives of the Demerged Company may be affected only to the extent of their shareholding in the Demerged Company, or to the extent that the said Directors/ KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate

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and/or beneficiary of trust that hold shares in Demerged Company, if any. As such there will be no adverse impact consequent to the Scheme.

**5. Effect of the Scheme on Equity Shareholders (Promoter and Non-Promoter Members)**

Promoter members of the Demerged Company shall be affected only to the extent of their shareholding in the Demerged Company. As such there will be no adverse impact consequent to the Scheme.

Non-Promoter members of the Demerged Company shall also not be affected

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INTERSEA MARITIME LIMITED AT ITS MEETING HELD ON 19TH NOVEMBER 2021 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST FOUR M MARITIME PRIVATE LIMITED ("TRANSFEROR COMPANY") AND BUHARI HOLDINGS PRIVATE LIMITED ("DEMERGED COMPANY") AND INTERSEA MARITIME LIMITED ("TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME") UNDER SECTIONS 230 TO 232 READ WITH OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL

#### 1. Background

Provisions of Section 232(2)(c) of the Companies Act, 2013 require the Directors to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.

#### 2. Scheme

The Scheme provides for the following to take place chronologically:

- i) Reduction of share capital of the Transferee Company as envisaged in Part II of the Scheme.
- j) Selective reduction of share capital of the Transferor Company as envisaged in Part III of the Scheme.
- k) Amalgamation of the entire undertaking of the Transferor Company with the Transferee Company as envisaged in Part IV of the Scheme.
- l) Demerger of the shipping undertaking of the Demerged Company into the Resulting Company as envisaged in Part V of the Scheme.

#### 3. Share Exchange Ratio

Swap Ratio for Amalgamation of Four M into INTERSEA:

26 fully paid Equity shares of face value of Rs.10/- each of INTERSEA for every 1 equity share of Rs.100/- each held by shareholders in Four M

Share entitlement for demerger of shipping undertaking of Buhari:

1,13,73,624 Equity shares in INTERSEA to shareholders of the Demerged Undertaking of Buhari.

#### 4. Effect of the Scheme on Directors and Key Managerial Personnel (KMP)

The Directors and KMP and their respective relatives of the Demerged Company may be affected only to the extent of their shareholding in the Demerged Company, or to the extent that the said Directors/ KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate

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and/or beneficiary of trust that hold shares in Demerged Company, if any. As such there will be no adverse impact consequent to the Scheme.

**5. Effect of the Scheme on Equity Shareholders (Promoter and Non-Promoter Members)**

Promoter members of the Demerged Company shall be affected only to the extent of their shareholding in the Demerged Company. As such there will be no adverse impact consequent to the Scheme.

Non-Promoter members of the Demerged Company shall also not be affected

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**FORM NO. MGT-11  
PROXY FORM**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]*

[ ]

Name of the Secured Creditors			
Registered Address			
Email Id			

I/We, being the Secured Creditors of Intersea Maritime Limited, hereby appoint

1. Name: \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email – ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
2. Name: \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email – ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
3. Name: \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email – ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/ us and my/our behalf at the meeting of the Secured Creditors, convened pursuant to direction of Chennai Bench of Hon'ble National Company Law Tribunal to be held at Buharia Towers, Sixth Floor, 4 Moores Road Chennai 600006 on Saturday, the 20<sup>th</sup> day of August 2022 at 11:00A.M. and at any adjournment thereof in respect of the proposal as indicated below:

Sl.No.	Resolution(s)
1	Approval for the Composite Scheme of Arrangement between Four M Maritime Private Limited and Buhari Holdings Private Limited and Intersea Maritime Limited and their respective Shareholders and Creditors, under Section 230 to 232 of the Act and other applicable provisions of the Act read with Rules 3 and 5 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016.

Proposal

Signed this \_\_\_ day of \_\_\_ 2022

Affix Re.1  
revenue  
Stamp

Signature of Secured Creditor(s)

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\_\_\_\_\_  
Signature of Proxy holder (s)

Notes:

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The authorized representative of a body corporate which is an Secured creditor of the Company may attend and vote at the meeting of the Secured creditor s of the Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the Secured creditors of the Company is deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the Secured creditor s of the Company.
3. All alterations made in the form of proxy should be initialed
4. Please affix appropriate revenue stamp before putting signature.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. Proxy need not be aSecured creditor of Intersea Maritime Limited.
7. No person who is a minor shall be appointed as proxy.

**ATTENDANCE SLIP**

**PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

I hereby record my/ our presence at the meeting of the Secured Creditors of Intersea Maritime Limited, Transferee Company, convened pursuant to an Order dated 6<sup>th</sup> July 2022 of Chennai Bench of the National Company Law Tribunal, at Buharia Towers, Sixth Floor, 4 Moores Road Chennai 600006 on Saturday, the 20<sup>th</sup> day of August 2022 at 11.00 A.M

Name and Address of the Secured Creditors	
Signatures	
Name of the Proxy holder(s)/authorized representative	
Signature of the Secured creditor/ Signature of the Proxy Holder/ Authorized Representative	

**Note:**

- (1) Secured Creditors attending the meeting in person or by proxy or through Authorized Representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the meeting hall.

