

**COMPOSITE SCHEME OF ARRANGEMENT**

**AMONGST**

**PARLE PRODUCTS PRIVATE LIMITED**

**AND**

**PARLE BRANDS PRIVATE LIMITED**

**AND**

**PARLE BISCUITS PRIVATE LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT 2013**



*Handwritten initials*

**(A) DESCRIPTION OF COMPANIES**

**Parle Products Private Limited** (“Demerged Company 1” or “Transferor Company”) is incorporated under the provisions of the Indian Companies Act, 1913, having Corporate Identity Number U15400MH1950PTC008334 and its registered office at North Level Crossing, Vile Parle East, Mumbai – 400 057, Maharashtra, India. The Demerged Company 1 is engaged in the business of manufacturing and dealing in biscuits, cakes, bread, chocolates, sweets, peppermints and confectionaries of all kinds. Further the Demerged Company 1 is engaged into the business of real estate and brands.

**Parle Brands Private Limited** (“Resulting Company”) is incorporated under the provisions of the Act (*as defined hereinafter*), having Corporate Identity Number U77400MH2026PTC466733 and its registered office at North Level Crossing, Vile Parle East, Mumbai – 400 057, Maharashtra, India. The Resulting Company is engaging in the business of manufacturers and dealers of biscuits, cakes, bread, chocolates, sweets, peppermints, flour, biscuits and farinaceous compounds and materials of every description, chewing-gum, sugar-food-stuffs and confectionaries of all kinds and to carry on all or any of the business of dairymen, cheese and butter, manufacturers and merchants, and bakers, confectioners, refreshment contractors, farmers, grocers, and general provision merchants and dealers. The Resulting Company is a wholly owned subsidiary of the Demerged Company 1.

**Parle Biscuits Private Limited** (“Transferee Company” or “Demerged Company 2”) is incorporated under the provisions of the Companies Act, 1956, having Corporate Identity Number U15412MH1974PTC017797 and its registered office at North Level Crossing, Vile Parle East, Mumbai – 400 057, Maharashtra, India. The Demerged Company 2 is engaged in the business of business of manufacturing and dealing in biscuits, cakes, bread, chocolates, sweets, peppermints, confectionaries, chewing gum, sugar foodstuffs. Further, the Demerged Company 2 is proposing to undertake the commercial development of the real estate properties vested in it. The Transferee Company is a wholly owned subsidiary of the Transferor Company.

**(B) OVERVIEW OF THE SCHEME**

This composite scheme of arrangement amongst the Parties (*as defined hereinafter*) and their respective shareholders and creditors (“Scheme”) is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*). The Scheme provides for the following and various other matters consequent and incidental thereto:

- (i) demerger, transfer and vesting of the Demerged Undertaking 1 (*as defined hereinafter*) from the Demerged Company 1 to the Resulting Company on a *going concern* basis;
- (ii) amalgamation of the Transferor Company with the Transferee Company; and
- (iii) demerger, transfer and vesting of the Demerged Undertaking 2 (*as defined hereinafter*) from the Demerged Company 2 to the Resulting Company on a *going concern* basis.

**(C) RATIONALE**

- (i) The Scheme is in best interests of the shareholders, employees, and the creditors of each of the Parties. The Board of the Parties are of the view that the nature, scale, growth potential and capital requirements of the Processed Food business, together with its allied, ancillary and captive wind power operations, are distinct from the other businesses such as real estate and brands of the group, and therefore merit a focused organisational, operational and governance structure.
- (ii) Given the diversified nature of businesses presently carried on by Demerged Company 1 (*as defined hereinafter*) and Demerged Company 2 (*as defined hereinafter*), the Boards of Demerged Company 1 and Demerged Company 2 consider it imperative to reorient and reorganise their operations in a manner that allows enhanced focus on each of the distinct

businesses. With this repositioning, the Boards are desirous of consolidating common and allied operations to improve efficiency and long-term sustainability.

- (iii) Further, the segregation of the Processed Food and Ancillary business and Real Estate and Brands businesses would enable *distinct* business to pursue its independent growth strategy, aligned with its specific risk profile, return characteristics and capital needs. This restructuring would also facilitate the attraction of differentiated investor bases without any cross holding, allowing investors to participate in businesses that best match their risk appetite and investment objectives, while enhancing transparency and value creation for all stakeholders.
- (iv) The proposed demerger of Demerged Undertaking 1 and Demerged Undertaking 2 into the Resulting Company will result *in* the alignment and consolidation of the Processed Food business together with related ancillary activities and captive wind power operations under a single entity, thereby enabling the following benefits:
  - a. segregation and unbundling of businesses into focused corporate entities, which will enable enhanced management focus for the Processed Food business together with related ancillary activities and captive wind power operations, thereby facilitating efficient exploitation of business opportunities by the Resulting Company;
  - b. unlocking and creation of value for shareholders, attracting a broader investor base for each of the distinct businesses and providing improved flexibility in accessing capital, adoption of focused strategies and specialisation for sustained growth; and
  - c. enhancement of competitive strength and cost optimisation, through focused management of financial, managerial and technical resources and optimal deployment of personnel capabilities, skills, expertise and technologies, thereby significantly contributing to future growth and maximisation of shareholders' value.
- (v) In a similar manner, the amalgamation of the Transferor Company with the Transferee Company is expected to result, inter alia, in the following benefits:
  - a. consolidation of the Remaining Business of the Demerged Company 1 (*as defined hereinafter*) and Remaining Business of the Demerged Company 2 (*as defined hereinafter*);
  - b. optimal utilisation of managerial, financial and operational resources and improved corporate *governance*; and
  - c. reduction of administrative responsibilities, multiplicity of records and duplication of legal and regulatory compliances.
- (vi) Based on the aforesaid considerations, the proposed Scheme is expected to consolidate the distinct business operations, enhance optimisation of the capital structure, ensure compliance with applicable regulatory requirements and maximise shareholders' value, and is therefore in the overall interest of all stakeholders.
- (vii) The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies

#### (D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions, share capital of the Parties and date of taking effect and implementation of this Scheme;
- (ii) **PART II** deals with demerger, transfer and vesting of the Demerged Undertaking 1 from the Demerged Company 1 to the Resulting Company, on a *going concern* basis;
- (iii) **PART III** deals with amalgamation of the Transferor Company with the Transferee Company;
- (iv) **PART IV** deals with demerger, transfer and vesting of the Demerged Undertaking 2 from the Demerged Company 2 to the Resulting Company, on a *going concern* basis; and
- (v) **Part V** deals with the general terms and conditions applicable to this Scheme.

## PART I

### DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

#### 1. DEFINITIONS

- 1.1 In this Scheme, unless inconsistent with the subject or context thereof: (i) capitalised terms defined by inclusion in quotations and / or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

**“Act”** means the Companies Act, 2013;

**“Applicable Law”** or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all: (i) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (ii) Permits; and (iii) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties in each case having the force of law and that is binding or applicable to a Person as may be in force from time to time;

**“Appointed Date 1”** means closing business hours of March 31, 2026, or such other date as may be approved by the Board of the Parties;

**“Appointed Date 2”** means opening business hours of April 1, 2026, or such other date as may be approved by the Board of the Parties;

**“Appropriate Authority(ies)”** means:

- (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof; and
- (ii) any governmental, quasi-governmental or private body, self-regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, the Tribunal;

**“Board”** in relation to the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;

**“Demerged Company 2” or “Transferee Company”** means Parle Biscuits Private Limited, a company incorporated under the provisions of the Companies Act, 1956, having Corporate Identity Number U15412MH1974PTC017797 and its registered office at North Level Crossing, Vile Parle East, Mumbai – 400 057, Maharashtra, India;

**“Demerged Undertaking 1”** means the undertaking of the Demerged Company 1 pertaining to the Processed Food and Captive Wind Power Business, and shall otherwise include without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether situated in India or abroad, including, without limitation, all land, buildings, fixtures and structures thereon, all moveable property contained therein, stocks, current assets, investments, cash or deposits and bank accounts, contingent rights or benefits, receivables, advances paid by or deemed to have been paid by or received by the Demerged Company 1, rights and benefits under any agreement, any benefits or rights available to or due to the Demerged Company 1 pertaining to Processed Food and Captive Wind Power Business, exemptions, remissions, presentations, any reserves or funds, other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and all other interests of whatsoever nature, and wheresoever situated, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company 1 pertaining to the Processed Food and Captive Wind Power Business, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company 1 pertaining to the Processed Food and Captive Wind Power Business, whether in India or abroad;
- (ii) all Permits, quotas, rights, privileges, entitlements, benefits or exemptions of any kind, industrial and other licences, whether from a governmental authority or third party, any bids, tenders, letters of intent, expressions of interest, consents, subsidies, privileges, income tax benefits and exemptions, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, and all other interests in connection with or pertaining to the Processed Food and Captive Wind Power Business;
- (iii) all debts, obligations, duties and liabilities, both present and future (including contingent liabilities and obligations under any licenses or Permits or schemes) of every kind, nature and description whatsoever and howsoever arising, pertaining to the Processed Food and Captive Wind Power Business;
- (iv) all contracts, agreements, schemes, arrangements and any other instruments pertaining to the Processed Food and Captive Wind Power Business;
- (v) domain names, source code, computer programs, third party software licenses, object codes, social media handles, books, records, files, papers, product specifications, engineering and process-related information, research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, and any other customer or supplier related information, whether in physical or electronic form, pertaining to the Processed Food and Captive Wind Power Business;
- (vi) all insurance policies related or pertaining to the Processed Food and Captive Wind Power Business, if any;

α  
ARC

- (vii) any license fee / security deposits with any Appropriate Authority that may have been paid pertaining to the Processed Food and Captive Wind Power Business;
- (viii) entire experience, credentials, past record and market share of the Demerged Company 1 pertaining to the Processed Food and Captive Wind Power Business; and
- (ix) all employees engaged in the Processed Food and Captive Wind Power Business.

It is clarified that the Demerged Undertaking 1 shall not include: (i) investments held by the Demerged Company 1 in the Demerged Company 2; and (ii) all intellectual property and intellectual property rights (including any applications for the same) of any nature whatsoever, including logos, designs, labels, tradenames and all other intellectual property (registered, unregistered, applied for or otherwise), along with brand goodwill, get up, trade dress.

Any question that may arise as to whether a specified asset or liability or employee pertains or does not pertain to the Demerged Undertaking 1 shall be decided by the Boards of the Demerged Company 1 and the Resulting Company in accordance with Section 2(35) of the Income Tax Act.

**“Demerged Undertaking 2”** means the undertaking of the Demerged Company 2 pertaining to the Processed Food and Ancillary Business, and shall otherwise include without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether situated in India or abroad, including, without limitation, all land, buildings, fixtures and structures thereon, all moveable property contained therein, stocks, current assets, investments (including investment in subsidiaries and joint venture of Demerged Company 2 engaged in Processed Food and Ancillary Business), cash or deposits and bank accounts, contingent rights or benefits, receivables, advances paid by or deemed to have been paid by or received by the Demerged Company 2, rights and benefits under any agreement, any benefits or rights available to or due to the Demerged Company 2 pertaining to the Processed Food and Ancillary Business, exemptions, remissions, presentations, any reserves or funds, other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and all other interests of whatsoever nature, and wheresoever situated, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company 2 pertaining to Processed Food and Ancillary Business, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company 2 pertaining to Processed Food and Ancillary Business, whether in India or abroad;
- (ii) all Permits, quotas, rights, privileges, entitlements, benefits or exemptions of any kind, industrial and other licences, whether from a governmental authority or third party, any bids, tenders, letters of intent, expressions of interest, consents, subsidies, privileges, income tax benefits and exemptions, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, and all other interests in connection with or pertaining to Processed Food and Ancillary Business;
- (iii) all debts, obligations, duties and liabilities, both present and future (including contingent liabilities and obligations under any licenses or Permits or schemes) of every kind, nature and description whatsoever and howsoever arising, pertaining to the Processed Food and Ancillary Business;
- (iv) all contracts, agreements, schemes, arrangements and any other instruments pertaining to the Processed Food and Ancillary Business;

- (v) domain names, source code, computer programs, third party software licenses, object codes, social media handles, books, records, files, papers, product specifications, engineering and process-related information, research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, and any other customer or supplier related information, whether in physical or electronic form, pertaining to the Processed Food and Ancillary Business;
- (vi) all insurance policies related or pertaining to the Processed Food and Ancillary Business, if any;
- (vii) any license fee / security deposits with any Appropriate Authority that may have been paid pertaining to the Processed Food and Ancillary Business;
- (viii) entire experience, credentials, past record and market share of the Demerged Company 2 pertaining to the Processed Food and Ancillary Business; and
- (ix) all employees engaged in the Processed Food and Ancillary Business.

It is clarified that the Demerged Undertaking 2 shall not include intellectual property and intellectual property rights (including any applications for the same) of any nature whatsoever including logos, designs, labels, tradenames and all other intellectual property (registered, unregistered, applied for or otherwise) along with associated brand goodwill, get up, trade dress to be received by Transferee Company pursuant to amalgamation of Transferor Company with the Transferee Company.

Any question that may arise as to whether a specified asset or liability or employee pertains or does not pertain to the Demerged Undertaking 2 shall be decided by the Boards of the Demerged Company 2 and the Resulting Company in accordance with Section 2(35) of the Income Tax Act.

**"Effective Date"** means the date on which last of the conditions specified in Clause 44 (Conditions Precedent) of this Scheme are complied with or waived, as applicable. Reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date;

**"GST"** means the goods and services tax levied under the Central Goods and Services Tax Act, 2017 and the respective States Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017;

**"Income Tax Act"** means the Income-tax Act, 2025 and to the extent applicable, Income-tax Act, 1961;

**"INR"** or **"Rupee(s)"** means Indian Rupee, the lawful currency of the Republic of India;

**"Parties"** means the Demerged Company 1/ Transferor Company, the Resulting Company and the Demerged Company 2 / Transferee Company collectively, and **"Party"** shall mean each of them, individually;

**"Permits"** means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under the Applicable Law;

**"Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

**"Processed Food and Captive Wind Power Business"** means the processed food business of the Demerged Company 1 undertaken by way of inter alia manufacturing, processing, producing,

α  
AVC

packaging, distributing, marketing and selling of processed food products, including biscuits, cakes, bread, chocolates, sweets, peppermints and confectioneries of all kinds, and other allied or incidental food items, and includes all related operations, assets and undertakings pertaining thereto, together with the captive wind power business of the Demerged Company 1 undertaken by way of inter alia generation, transmission, distribution and supply of wind energy for captive consumption, and includes all related assets, infrastructure, rights, permits and undertakings pertaining thereto;

**"Processed Food and Ancillary Business"** means the processed food business of the Company undertaken by way of inter alia manufacturing, processing, producing, packaging, distributing, marketing and selling of processed food products, including biscuits, cakes, bread, chocolates, sweets, peppermints and confectioneries of all kinds and other allied or incidental food items, and includes all related operations, assets and undertakings pertaining thereto, together with the ancillary business of the Company comprising (i) sugar business undertaken by way of manufacturing of sugar, (ii) power business undertaken by way of generation of power, (iii) distillery business undertaken by way of manufacture of ethanol and other allied products, and (iv) personal care business undertaken by way of manufacture of sanitizer and other allied products, and includes all related operations, assets, infrastructure, rights, permits and undertakings pertaining thereto;

**"Remaining Business of the Demerged Company 1"** means all the business, units, divisions, undertakings and assets and liabilities of the Demerged Company 1 other than those forming part of the Demerged Undertaking 1;

**"Remaining Business of the Demerged Company 2"** means all the business, units, divisions, undertakings and assets and liabilities of the Demerged Company 2 other than those forming part of the Demerged Undertaking 2;

**"Resulting Company"** means Parle Brands Private Limited, a company incorporated under the provisions of the Act, having Corporate Identity Number U77400MH2026PTC466733 and its registered office at North Level Crossing, Vile Parle East, Mumbai – 400 057, Maharashtra, India;

**"RoC"** means the Registrar of Companies, Maharashtra-Mumbai-I, at Mumbai as notified vide notification dated October 23, 2025 (F. No. A-11/1/2024-Ad.II, MCA);

**"Scheme" or "the Scheme" or "this Scheme"** means this composite scheme of arrangement as modified from time to time;

**"Tax Laws"** means all Applicable Laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax/ value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

**"Taxation" or "Tax" or "Taxes"** means any and all form of direct and indirect taxes with reference to income, profits, gains, net wealth, asset values, turnover, gross receipts including all duties (including stamp duties), excise, customs, capital gains tax, buyback tax, equalization levy, tax collected at source, withholding tax, minimum alternate tax, service tax, value added tax, dividend distribution tax, wealth tax, goods and services tax, charges, surcharge, cess, fees, levies or other similar assessments by or payable to a tax authority (including its agent and persons acting under its authority), including in relation to: (a) income, manufacture, import, export, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, expenditure, procurement, wealth, sales, use, transfer, licensing, withholding whatsoever imposed by any Governmental Authority, employment, payroll, and franchise taxes, tax on distributed income, and (b) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings, revision, rectification, prosecutions, contest, or dispute in respect thereof; and

**"Tribunal"** means the National Company Law Tribunal, Mumbai Bench.

AVC

## 1.2 Interpretation

In this Scheme, unless the context otherwise requires:

- 1.2.1 words in the singular shall include the plural and *vice versa*;
- 1.2.2 reference to any law or legislation shall be construed to include the rules, regulations, circulars, notifications, guidelines, etc issued thereunder from time to time and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force including provisions of legislations already grandfathered under the new statutes;
- 1.2.3 headings are inserted for ease of reference only and shall not affect the construction or interpretation of the Scheme; and
- 1.2.4 all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act (including applicable provisions of Income-tax Act, 1961) or any other Applicable Laws, rules, regulations, bye laws, as the case may be.

## 2. SHARE CAPITAL

2.1 The share capital of the Demerged Company 1 as on March 31, 2026, is as under:

Particulars	Amount (in Rs.)
<b>Authorized share capital</b>	
3,72,900 equity shares of Rs. 100 each	3,72,90,000
<b>Total</b>	<b>3,72,90,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
1,94,100 equity shares of Rs. 100 each	1,94,10,000
<b>Total</b>	<b>1,94,10,000</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Demerged Company 1.

2.2 The share capital of the Resulting Company as on March 31, 2026, is as under:

Particulars	Amount (in Rs.)
<b>Authorized share capital</b>	
10,000 equity shares of Rs. 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
10,000 equity shares of Rs. 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Resulting Company.

2.3 The share capital of the Demerged Company 2 as on March 31, 2026, is as under:

Particulars	Amount (in Rs.)
<b>Authorized share capital</b>	
50,000 equity shares of Rs. 100 each	50,00,000
<b>Total</b>	<b>50,00,000</b>
<b>Issued, subscribed and paid-up share capital</b>	
49,500 equity shares of Rs. 100 each	49,50,000
<b>Total</b>	<b>49,50,000</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Demerged Company 2.

### 3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

3.1 This Scheme present form or with any modification(s) shall be effective and operative as under:

3.1.1 Part II of the Scheme shall be effective from the Appointed Date 1 but shall be operative from the Effective Date; and

3.1.2 Part III and Part IV shall be effective from the Appointed Date 2 but shall be operative from the Effective Date.

## PART II

### DEMERGER AND VESTING OF DEMERGED UNDERTAKING 1 FROM THE DEMERGED COMPANY 1 TO THE RESULTING COMPANY

#### 4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 1

4.1 With effect from Appointed Date 1 and upon coming into effect of Part II of the Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(35)/ Section 2(19AA) of the Income Tax Act as applicable, all assets, Permits, contracts, liabilities, rights, claim, title, interest, loan, duties and obligations of the Demerged Undertaking 1 shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in Resulting Company on a *going concern* basis, so as to become as and from the Appointed Date 1, the assets, Permits, contracts, liabilities, rights, claim, title, interest, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

This demerger under Part II of the Scheme complies with the definition of 'demerger' as per Section 2(35)/ Section 2(19AA) of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act then this Scheme shall stand modified to be in compliance with Section 2(35)/ Section 2(19AA) of the Income Tax Act.

4.2 Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer of the Demerged Undertaking 1 under this Scheme, is as follows:

4.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking 1 which are movable in nature, whether registered or unregistered, whether having any accounting value in the books or not (including but not limited to all intangible assets), capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company 1 to the Resulting Company upon coming into effect of Part II of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

4.2.2 Subject to Clause 4.2.3 below, with respect to the moveable assets of the Demerged Undertaking 1 other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), , sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any,

with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company 1, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company, with effect from the Appointed Date 1 by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

- 4.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking 1 which are immovable in nature, whether or not included in the books of the Demerged Company 1, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date 1, without any act or deed or conveyance being required to be done or executed by the Demerged Company 1 and/or the Resulting Company;
- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking 1 in the nature of land and buildings, the Demerged Company 1 and the Resulting Company shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking 1 takes place and the Demerged Undertaking 1 shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking 1 in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company, if the Resulting Company so decides, the Demerged Company 1 and/ or the Resulting Company, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment or deeds of confirmation, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 4.2.6 Upon effectiveness of Part II of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company 1 as on the Appointed Date 1 and relatable to the Demerged Undertaking 1 ("**Demerged Undertaking 1 Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date 1. The term Demerged Undertaking 1 Liabilities shall *inter alia* include:
- 4.2.6.1 the debts, liabilities obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking 1;
- 4.2.6.2 the specific loans or borrowings including, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking 1; and

- 4.2.6.3 general or multipurpose borrowings, if any, of the Demerged Company 1 will be apportioned basis the proportion of the value of the assets transferred pursuant to the demerger of the Demerged Undertaking 1 to the total value of the assets of Demerged Company 1 immediately before the Appointed Date 1.
- 4.2.7 Subsequent to the effectiveness of Part II of the Scheme, the Resulting Company, may give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking 1 stands transferred to the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;
- 4.2.8 In so far as encumbrances, if any, in respect of the Demerged Undertaking 1 Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking 1 which have been encumbered in respect of the Demerged Undertaking 1 Liabilities as transferred to the Resulting Company pursuant to this Scheme. Further, in so far as the assets comprised in the Demerged Undertaking 1 are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company 1 shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company 1 shall provide such other security that may be agreed between the Demerged Company 1 and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- 4.2.9 Subject to Clause 4 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking 1, the Demerged Company 1 shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company 1 to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 4.2.10 Upon effectiveness of Part II of the Scheme, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company 1 and are in relation to or in connection with the Demerged Undertaking 1, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company;
- 4.2.11 Permits, including the benefits attached thereto of the Demerged Company 1, in relation to the Demerged Undertaking 1, shall be transferred to the Resulting Company from the Appointed Date 1, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking 1 without any hindrance, whatsoever; and
- 4.2.12 Contracts in relation to the Demerged Undertaking 1, where the Demerged Company 1 is a party, shall stand transferred to the Resulting Company pursuant to Part II of the Scheme becoming effective. The absence of any formal amendment which may be required by a third

party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company 1 and the Resulting Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

- 4.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of Part II of this Scheme, the Resulting Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including filing of necessary particulars and/or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person. For avoidance of doubt, any procedural obligation required to be fulfilled solely by the Demerged Company 1 upon Part II of the Scheme becoming effective, shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company 1. The Resulting Company shall, in accordance with Applicable Laws, take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Demerged Company 1 either transferred to the Resulting Company or otherwise to the extent relevant get such Permits and/or contracts reissued/ re-executed /reinstated and/or registered in the name of the Resulting Company.

## 5. EMPLOYEES

- 5.1 With effect from the Effective Date, the employees of the Demerged Company 1 engaged in or in relation to the Demerged Undertaking 1 shall become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company 1 and without any interruption in service. The decision on whether or not an employee is part of the Demerged Undertaking 1 shall be decided by the Demerged Company 1, and such decision shall be final and binding on the Demerged Company 1 and the Resulting Company concerned.
- 5.2 The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of the Demerged Company 1.
- 5.3 All on-going leave balances, leave encashments, deferred cash benefits and such other dues of the aforesaid employees shall stand transferred to the Resulting Company.
- 5.4 The Boards of the Demerged Company 1 and the Resulting Company or any of the committee(s) thereof, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

## 6. LEGAL PROCEEDINGS

- 6.1 Upon coming into effect of Part II of the Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature (including proceedings under the Income Tax Act, if any) by or against the Demerged Company 1 pending and/or arising on or before the Appointed Date 1 or which may be instituted at any time thereafter and in each case relating to the Demerged Undertaking 1 shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company 1. The Resulting Company shall be substituted in place of the Demerged Company 1 or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company 1 and the liability of the Demerged Company 1 shall stand

nullified. The Demerged Company 1 shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking 1.

- 6.2 The Resulting Company undertakes to have all legal and other proceedings (including proceedings under the Income Tax Act, if any) initiated by or against the Demerged Company 1 referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company 1 on priority. The Demerged Company 1 and the Resulting Company shall make relevant applications and take all steps as may be required in this regard.
- 6.3 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company 1 is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (including proceedings under the Income Tax Act, if any), in each case in relation to the Demerged Undertaking 1, the Demerged Company 1 shall, in view of the transfer and vesting of the Demerged Undertaking 1 pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company 1 with the Resulting Company. However, if the Demerged Company 1 is unable to get the Resulting Company replaced in its place in such proceedings, the Demerged Company 1 shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company 1, all liabilities and obligations incurred by the Demerged Company 1 in respect thereof.
- 6.4 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Resulting Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority in each case in relation to the Remaining Business of the Demerged Company 1, the Resulting Company shall take all such steps in the proceedings before the Appropriate Authority to replace itself with the Demerged Company 1. However, if the Resulting Company is unable to get the Demerged Company 1 replaced in its place in such proceedings, the Resulting Company shall defend the same or deal with such demand in accordance with the advice of the Demerged Company 1 and at the cost of the Demerged Company 1 and the latter shall reimburse to the Resulting Company, all liabilities and obligations incurred by the Resulting Company in respect thereof.

## **7. TAXES/ DUTIES/ CESS**

- 7.1 This Scheme has been drawn up to comply with the conditions relating to demerger as defined under Section 2(35)/ Section 2(19AA) of the Income Tax Act and other provisions of the Income Tax Act, as applicable. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.
- 7.2 Upon Part II of the Scheme becoming effective, all taxes paid by the Demerged Company 1 pertaining to the Demerged Undertaking 1 for the period after the Appointed Date 1 and forming part of Demerged Undertaking 1, shall be deemed to have been paid for and on behalf of and to the credit of the Resulting Company and the Resulting Company shall be entitled to take credit for such Taxes notwithstanding that certificates/ challans for the said Taxes are in the name of the Demerged Company 1 and not in the name of the Resulting Company. Further, the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon submission of relevant proof and documents to the said authorities. However, the tax liabilities and tax demands or refund received or to be received by the Demerged Company 1 for a period prior to the Appointed Date 1 in relation to the Demerged Undertaking 1 shall not be transferred as part of the Demerged Undertaking 1 to the Resulting Company.

- 7.3 The Demerged Company 1 shall be liable for any tax payable to Appropriate Authorities under the Tax Laws and shall be entitled to any tax refunds under the Tax Laws, which in each case, arise from the operation or activities of the Demerged Undertaking 1 prior to the Appointed Date 1, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company 1 and whether such payments or receipts are due or realised on, before or after the Appointed Date 1.
- 7.4 If the Demerged Company 1 is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation, if any), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking 1 under any Tax Law or Applicable Law, the Resulting Company subsequent to the Effective Date shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company in accordance with Applicable Law.
- 7.5 Upon Part II of the Scheme becoming effective, the Demerged Company 1 and/ or the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired but without incurring any liability on account of interest, penalty or any other sum to claim refunds, advance tax credits, GST, excise and service tax credits, set off, etc., pursuant to Part II of the Scheme coming into effect. In addition to the above, all deduction otherwise admissible to Demerged Company 1 in relation to the Demerged Undertaking 1, payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to the Resulting Company, upon fulfilment of the applicable conditions under the Applicable Law.
- 7.6 Any actions taken by the Demerged Company 1 to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, tax filings, etc.) in respect of the Demerged Undertaking 1 on and from the Appointed Date 1 up to the Effective Date shall be considered as adequate compliance by the Demerged Company 1 with such requirements under the Tax Laws and such actions shall be deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.
- 7.7 Notwithstanding any other provision of this Scheme, any unutilized GST credits pertaining to the Demerged Undertaking 1 and available in the electronic input GST credit ledger of the Demerged Company 1 maintained by Goods and Services Tax Network (GSTN) or as per the Demerged Company 1's books of account, whichever is lower, shall be transferred by the Demerged Company 1 to the Resulting Company in accordance with Applicable Laws, whereby the Demerged Company 1 and the Resulting Company shall take such actions as may be necessary under Applicable Law to effect such transfer. GST credits and GST liability pertaining to activities or operations of the Demerged Undertaking 1 between the Appointed Date 1 and the Effective Date shall be dealt with in accordance with the Applicable Laws.
- 7.8 All the Tax compliances/ payments (including but not limited to income tax, service tax, excise duty, central sales tax, applicable state value added tax etc) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits, provisional payments, payment under protest, or otherwise, howsoever, by the Demerged Company 1 in relation to the Demerged Undertaking 1 after the Appointed Date 1, shall be deemed to be paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- 7.9 Without prejudice to the aforesaid, it is clarified that as on the current date and prior to the effectiveness of the Scheme, the income-tax returns filed by the Demerged Company 1 for the period prior to the Appointed Date 1 remain pending at various stages before the tax authorities. In respect of

certain assessment years, tax demands have already been raised. In other cases, while no tax demands have yet been raised or crystallised, the tax authorities have sought explanations and clarifications in relation to certain transactions, benefits and expenses pertaining to the Demerged Undertaking 1. Accordingly, any liabilities arising from tax demands already raised, and any tax claims that may subsequently be raised, crystallised, identified and found to relate to the Demerged Undertaking 1, ought appropriately to be attributed to the Resulting Company and the same would get transferred to the Resulting Company as an integral part of the Scheme.

- 7.10 Further, the liabilities arising out of indirect tax matters relating to the Demerged Undertaking 1 (which cannot be legally transferred under applicable Goods and Services Tax law and other applicable laws) continues in the name of the Demerged Company 1, but the Resulting Company shall bear all the costs, financial responsibility and obligations in relation thereto.
- 7.11 In view of the above, if the Demerged Company 1 makes any payment to discharge any Tax liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Demerged Undertaking 1 on or after the Appointed Date 1, the Resulting Company shall promptly pay or reimburse the Demerged Company 1 for such payment. In case the Resulting Company makes any payment to discharge any direct Tax liabilities, if any, under Tax Laws that relate exclusively or predominantly to the activities or operations of the Demerged Undertaking 1 prior to the Appointed Date 1, the Demerged Company 1 shall promptly pay or reimburse the Resulting Company for such payment.

## **8. CONSIDERATION**

- 8.1 Upon the coming into effect of Part II of the Scheme and in consideration of the demerger of the Demerged Undertaking 1 and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company 1 whose name is recorded in the register of members and/or records of the depository as shareholders of the Demerged Company 1 as on the Effective Date, as under:

15 (Fifteen) equity share of the Resulting Company having face value of INR 10 (Indian Rupees Ten only) each fully paid up for every 1 (One) share of INR 100 (Indian Rupees Hundred only) each of the Demerged Company 1 fully paid up.

- 8.2 The shares of the Resulting Company to be issued and allotted pursuant to the demerger of the Demerged Undertaking 1 as per Clause 8.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing shares of the Resulting Company, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Resulting Company.
- 8.3 The issue and allotment of the shares of the Resulting Company pursuant to the demerger of the Demerged Undertaking 1 is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or its shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the equity shares of the Resulting Company under applicable provisions of the Act.
- 8.4 The shares of the Resulting Company to be issued in terms of this Scheme shall be issued in dematerialised form or physical form, as the case maybe, in accordance with Applicable Laws. The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting

Company) be updated to reflect the issue of the equity shares by the Resulting Company in terms of this Scheme.

- 8.5 In the event, the Demerged Company 1 and/ or the Resulting Company restructure their share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, as per Clause 8.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.

## **9. ACCOUNTING TREATMENT**

The Demerged Company 1 and the Resulting Company shall comply with generally accepted accounting principles in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

### **9.1 In the books of the Demerged Company 1**

Upon Part II of the Scheme coming into effect, the Demerged Company 1 shall account for the demerger in its books of accounts as per Indian Accounting Standard (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, including but not limited to the following:

- 9.1.1 The Demerged Company 1 shall derecognise the carrying amounts of all assets and liabilities pertaining to the Demerged Undertaking 1 and being transferred to the Resulting Company from its books of accounts;
- 9.1.2 The excess of the book value of assets pertaining to the Demerged Undertaking 1 transferred over the book value of the liabilities transferred pertaining to Demerged Undertaking 1 shall be debited to appropriate reserve within equity;
- 9.1.3 The investment in equity share capital of the Resulting Company held by the Demerged Company 1, if any, as appearing in the books of account of the Demerged Company 1 shall stand cancelled.

### **9.2 In the books of the Resulting Company**

Upon Part II of the Scheme coming into effect, the Resulting Company shall account for the demerger in its books of account as per Indian Accounting Standard (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, including but not limited to the following:

- 9.2.1 The Resulting Company shall record the assets and liabilities of the Demerged Undertaking 1 transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company 1;
- 9.2.2 If the accounting policies adopted by the Resulting Company are different from those adopted by the Demerged Company 1, the assets, liabilities and reserves of the Demerged Undertaking 1 shall be accounted in the books of the Resulting Company adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015;
- 9.2.3 Any change effected in the book value of the assets, liabilities and reserves of the Demerged Undertaking 1 pursuant to Clause 9.2.2 above, shall be carried out in the books of the Resulting Company with appropriate disclosures as required under Indian Accounting Standard – 8 “Accounting Policies, Changes in Accounting Estimates and Errors”;

9.2.4 The difference between: (A) the carrying value of assets minus liabilities recorded in the books of the Resulting Company; and cancellation of the shareholding of the Demerged Company 1 in equity share capital of the Resulting Company; and (B) the aggregate face value of the shares of the Resulting Company issued and allotted to the shareholders of the Demerged Company 1 as consideration, if any, shall be debited/ credited to the capital reserve account of the Resulting Company.

9.2.5 The financial information in the financial statements in respect of prior periods will be restated as if the business combination had occurred from the beginning of the comparative period or the date of incorporation of the Resulting Company, whichever is later.

## 10. Ancillary Provisions

10.1 The Demerged Company 1 shall, as an integral part of the Scheme, transfer such amounts from its general reserves and retained earnings equal to the excess of the book value of the assets over the book value of the liabilities demerged and being transferred from the Demerged Company 1 to the Resulting Company. The ratio between such transferred general reserves and retained earnings shall be equal to the ratio between the general reserves and retained earnings as appearing in the books of the Demerged Company 1 on the Appointed Date. It is clarified that the reserves pursuant to Clauses 9.1.2 shall be adjusted to the extent of the reserves transferred pursuant to this Clause.

10.2 Similarly, the Resulting Company shall appropriately record the general reserves and retained earnings allocated to the Demerged Undertaking and transferred and vested in the Resulting Company pursuant to Clause 10.1 of this Scheme as on the Appointed Date. It is clarified that the credit/ debit balance of the capital reserve pursuant to Clause 9.2.4 above, shall be adjusted to the extent of the general reserves and retained earnings allocated and transferred pursuant to Clauses 10.1 of this Scheme.

10.3 The transfer, recognition and adjustments of reserves in terms of Clauses 10.1 and 10.2 above shall result in reorganisation and/or reduction of share capital and/or capital reserves of the Demerged Company 1 and the Resulting Company, as the case may be, and the same shall be effected pursuant to Sections 230 to 232 of the Act and as an integral part of the Scheme.

10.4 It is clarified that the approval of the shareholders of the Demerged Company 1 and the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reorganisation and/or reduction of the share capital and/or capital reserves of the Demerged Company 1 and the Resulting Company; as the case may be, under applicable provisions of the Act.

## 11. REDUCTION AND CANCELLATION OF ENTIRE PRE SCHEME SHARE CAPITAL OF THE RESULTING COMPANY

11.1 Upon allotment of the shares by the Resulting Company to the shareholders of the Demerged Company 1, the entire pre-Scheme paid-up share capital of the Resulting Company ("**Resulting Company Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme.

11.2 The Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares and credit capital reserve for the same amount.

11.3 It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.

11.4 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

## **12. BUSINESS UNTIL EFFECTIVE DATE**

- 12.1 With effect from the date when the Board of the Demerged Company 1 and the Resulting Company approve this Scheme and up to and including the Effective Date, the Demerged Company 1 shall carry on the business pertaining to the Demerged Undertaking 1 in the ordinary course consistent with past practice. Without prejudice to the aforesaid, the Demerged Company 1 and the Resulting Company shall be entitled to declare and pay dividends to their respective shareholders, whether interim or final.
- 12.2 With effect from the Appointed Date 1 and up to and including the Effective Date:
- 12.2.1 the Demerged Company 1 shall be deemed to have been carrying on and shall carry on its businesses and activities in relation to the Demerged Undertaking 1 and shall hold and stand possessed of the assets of the Demerged Undertaking 1 for and on account of, and in trust for the Resulting Company;
- 12.2.2 all profits or income arising or accruing to the Demerged Company 1 in relation to the Demerged Undertaking 1 or losses arising or incurred by the Demerged Company 1 in relation to the Demerged Undertaking 1 shall, for all purposes, be treated as and deemed to be the profits or income or losses of the Resulting Company; and
- 12.2.3 all loans raised and all liabilities and obligations incurred by the Demerged Company 1 in relation to the Demerged Undertaking 1 after the Appointed Date 1 and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.
- 12.3 The Demerged Company and/ or the Resulting Company, as the case may be, shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such Permits, consents, approvals and sanctions which the Demerged Company and the Resulting Company may require and to give effect to this Scheme.

## **13. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon coming into effect of Part II of this Scheme, the resolutions and power of attorney of/ executed by the Demerged Company 1, as are considered necessary by the Board of the Resulting Company, pertaining to the Demerged Undertaking 1, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Resulting Company shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

## **14. SAVING OF CONCLUDED TRANSACTIONS**

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company 1 in relation to the Demerged Undertaking 1 until the Effective Date, to the end and intent that the Resulting Company, shall accept and adopt all acts, deeds and things done and executed by the Demerged Company 1 in respect thereto as done and executed on behalf of the Resulting Company.

## **15. PROPERTY IN TRUST**

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining

to the Demerged Undertaking 1 are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities, the Demerged Company 1, will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, in trust for and on behalf of the Resulting Company.

**16. REMAINING BUSINESS OF THE DEMERGED COMPANY 1**

- 16.1 The Remaining Business of the Demerged Company 1 and all the assets, investments, liabilities and obligations thereto, shall continue to belong to and be vested in and be managed by the Demerged Company 1. Upon effectiveness of Part II of the Scheme, only the Demerged Company 1 shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business of the Demerged Company 1 and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company 1.

**PART III**

**AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY**

**17. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES OF THE TRANSFEROR COMPANY**

- 17.1 Immediately upon effectiveness of Part II of the Scheme and with effect from the Appointed Date 2, and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(6) of the Income Tax Act, the Transferor Company shall stand amalgamated with the Transferee Company as a going concern and accordingly, all assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date 2, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Transferee Company, and in the manner provided in this Scheme.

- 17.2 Upon effectiveness of Part III of the Scheme and with effect from the Appointed Date 2, without prejudice to the generality of the provisions of Clause 17.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Company under this Scheme, is as follows:

17.2.1 In respect of the assets and properties of the Transferor Company which are movable in nature including but not limited to all intangible assets, brands, trademarks of the Transferor Company (whether registered or unregistered) along with all rights of commercial nature including the attached goodwill, title, interest, labels, brand registrations, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon Part III of the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

17.2.2 Subject to Clause 17.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 17.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds/ debt securities and any other securities, sundry debtors, outstanding

loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date 2, by operation of law as transmission or as the case may be, in favour of the Transferee Company;

- 17.2.3 In respect of the assets and properties of the Transferor Company which are immovable in nature, if any, including rights, interest and easements in relation thereto, the same shall stand transferred to the Transferee Company with effect from the Appointed Date 2, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/ or the Transferee Company;
- 17.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 17.2.3 above and Clause 17.2.5 below, it is clarified that, with respect to the immovable properties of Transferor Company in the nature of land and buildings, the Transferor Company and/ or the Transferee Company shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents which may be necessary in this regard. It is clarified that any document executed pursuant to this Clause 17.2.4 or Clause 17.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any asset of the Transferor Company takes place and all assets of the Transferor Company shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 17.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty, and vesting in the Transferee Company, the Transferor Company and/ or the Transferee Company, may execute and register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease or confirmation deeds, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 17.2.6 All debts, liabilities, duties and obligations of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date 2, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and 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 17;
- 17.2.7 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company, as may be applicable, and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after

the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company;

- 17.2.8 Unless otherwise agreed between the Transferor Company and the Transferee Company, the vesting of all the assets of the Transferor Company, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Company or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Company with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company;
- 17.2.9 Unless otherwise stated in Part III of this Scheme, all Permits, including the benefits attached thereto of the Transferor Company, shall be transferred to the Transferee Company from the Appointed Date 2, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of 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, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Company without any hindrance whatsoever;
- 17.2.10 Unless otherwise stated in Part III of the Scheme, all tax liabilities / refunds / credits / claims relating thereto under the Tax Laws of the Transferor Company to the extent not provided for or covered by tax provision in the financial statements made as on the date immediately preceding the Appointed Date 2 shall be treated as liabilities / refunds / credits / claims of the Transferee Company from the Appointed Date 2 and shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, credit for minimum alternative tax/ service tax, goods and service tax or such other credits as on the date immediately preceding the Appointed Date 2 will also be transferred to and become the advance tax/other tax of the Transferee Company;
- 17.2.11 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill which includes the positive reputation that the Transferor Company was enjoying to retain its clients, statutory licenses, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how, client records, KYC (know your customer) records/ POAs (power of attorney), authorisations, client details and other intellectual property rights of any nature whatsoever, books, records, files, papers, software licenses (whether proprietary or otherwise), drawings, computer programs, 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 Transferor Company shall be transferred to the Transferee Company from the Appointed Date 2, without any further act, instrument or deed;
- 17.2.12 Upon Part III of the Scheme coming into effect and pursuant to the operation of law, all contracts, deeds, agreements, memorandum of understanding, purchase orders, etc. where the Transferor Company is a party, shall stand transferred to and vested in the Transferee Company and in all such contracts, deeds, agreements, memorandum of understanding, purchase orders, etc. the name of the Transferor Company shall be substituted by the Transferee Company as if the Transferee Company was the original party to such contracts, deeds, agreements, memorandum of understanding, purchase orders, etc. The absence of any formal amendment, if any, which may be required by a third party to effect such transfer and vesting shall not affect

the operation of the foregoing sentence. The Transferee Company shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause. Further, the insurance policies which have been issued to the Transferor Company shall be transferred and assigned to the Transferee Company and the name of the Transferor Company shall be substituted as 'Insured' in the policies as if the Transferee Company was initially a party thereto; and

17.2.13 Upon this Scheme coming into effect, all inter-company transactions including securities, warrants, loans, contracts executed or entered *inter se* between the Transferor Company and the Transferee Company, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Company and/or Transferee Company shall have any obligation or liability against the other party in relation thereto.

17.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 17.2, the Transferor Company and/ or the Transferee Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company. The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Transferor Company transferred and/ or registered in its name.

## **18. EMPLOYEES**

18.1 Upon coming into effect of Part III of the Scheme, all employees of the Transferor Company shall become employees of the Transferee Company on terms and conditions no less favourable than those on which they are engaged by the Transferor Company without interruption in service.

18.2 The accumulated balances, if any, standing to the credit of and in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund, national pension scheme and any other fund of which they are members, as the case may be, will be transferred to the funds of the Transferee Company set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Transferee Company. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of the Transferor Company.

18.3 All on-going leave balances, leave encashments, deferred cash benefits and such other dues of the aforesaid employees shall stand transferred to the Transferee Company.

## **19. LEGAL PROCEEDINGS**

19.1 Upon coming into effect of Part III of the Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Transferor Company pending and/or arising on or before the Appointed Date 2 or which may be instituted at any time thereafter shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. On and from the Effective Date, the Transferee Company may initiate any legal proceeding(s) for and on behalf of the Transferor Company.

19.2 From the Appointed Date 2 and until the Effective Date, the Transferee Company shall defend all legal proceedings, other than in the ordinary course of business.

## **20. TAXES / DUTIES / CESS**

- 20.1 This Scheme has been drawn up to comply with the conditions relating to merger as defined under Section 2(6) of the Income Tax Act and applicable provisions of the Income Tax Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, as applicable, shall prevail and the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.
- 20.2 Upon Part III of the Scheme becoming effective, all taxes paid by the Transferor Company for the period after the Appointed Date 2 shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company and the Transferee Company shall be entitled to take credit for such Taxes notwithstanding that certificates/ challans for the said Taxes are in the name of the Transferor Company and not in the name of the Transferee Company. Further, the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon submission of relevant proof and documents to the said authorities.
- 20.3 If the Transferor Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation, if any), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal / investment incentive schemes and policies or concessions under any Tax Law or Applicable Law, the Transferee Company subsequent to the Effective Date shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Transferee Company in accordance with Applicable Law.
- 20.4 Upon Part III of the Scheme becoming effective, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired but without incurring any liability on account of interest, penalty or any other sum to claim refunds, advance tax credits, GST, excise and service tax credits, set off, etc., pursuant to Part III of the Scheme coming into effect. In addition to the above, all deduction otherwise admissible to Transferor Company, payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to the Transferee Company, upon fulfilment of the applicable conditions under the Applicable Law.
- 20.5 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, rebate, etc., the Transferee Company, if so required, shall issue notice in the name of the Transferor Company or in such form as it may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 and other applicable provisions of the Act, the relevant refund, benefit, incentive, grant, subsidies, rebate, etc. granted by any Government body, local authority or by any other person under the Tax Laws due to the Transferor Company shall stand vested in the Transferee Company and the above benefits be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company.
- 20.6 Notwithstanding any other provision of this Scheme, any unutilized GST credits of the Transferor Company and available in the electronic input GST credit ledger of the Transferor Company maintained by Goods and Services Tax Network (GSTN) or as per the Transferor Company's books of account, whichever is lower, shall stand transferred from the Transferor Company to the Transferee Company in accordance with Applicable Laws, whereby the Transferee Company shall take such actions as may be necessary under Applicable Law to effect such transfer. GST credits and GST liability pertaining to

any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees to RoC.

- 24.2 The memorandum of association and articles of association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been paid by the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorised share capital so increased.
- 24.3 Consequentially, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 24.1 above, pursuant to Section 13, 14, 61, 64 and other applicable provisions of the Act.
- 24.4 It is clarified that the approval members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

**25. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon Part III of this Scheme coming into effect, the the resolutions and power of attorney of/ executed by the Transferor Company and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

**26. BUSINESS UNTIL EFFECTIVE DATE**

- 26.1 With effect from the date when the Board of the Transferor Company and the Transferee Company approve this Scheme and up to and including the Effective Date, the Transferor Company shall carry on its business in the ordinary course consistent with past practice.
- 26.2 With effect from the Appointed Date 2 and up to and including the Effective Date:
- 26.2.1 the Transferor Company shall be deemed to have been carrying on its business and activities and shall be deemed to have held and stood possessed of its assets and liabilities for and on account of and in trust for the Transferee Company;
- 26.2.2 all profits or income arising or accruing to the Transferor Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Company shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses of the Transferee Company; and
- 26.2.3 all loans raised and all liabilities and obligations incurred by the Transferor Company after the Appointed Date 2 and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company

and to the extent they are outstanding on the Effective Date, shall also, without any further act, instrument or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company.

- 26.3 Without prejudice to the aforesaid, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders, whether interim or final.
- 26.4 The Transferor Company and the Transferee Company, as the case may be, shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Transferor Company and the Transferee Company may require and to give effect to this Scheme.

#### **27. SAVING OF CONCLUDED TRANSACTIONS AND PROPERTY IN TRUST**

- 27.1 Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Transferor Company until the Effective Date, to the end and intent that the Transferee Company, shall accept and adopt all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.
- 27.2 Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, Permit, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Transferor Company are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Transferee Company, the Transferee Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement.

#### **28. DISSOLUTION OF THE TRANSFEROR COMPANY**

Upon Part III of the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and the Board and any committees thereof shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company shall be deemed to be struck off from the records of the RoC.

### **PART IV**

#### **DEMERGER AND VESTING OF DEMERGED UNDERTAKING 2 FROM THE DEMERGED COMPANY 2 TO THE RESULTING COMPANY**

#### **29. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 2**

- 29.1 With effect from Appointed Date 2 and upon coming into effect of Part IV of the Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(35) of the Income Tax Act, as applicable, all assets, Permits, contracts, liabilities, rights, claim, title, interest, loan, duties and obligations of the Demerged Undertaking 2 shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in Resulting Company on a *going concern* basis, so as to become as and from the Appointed Date 2, the assets, Permits, contracts, liabilities, rights, claim, title, interest, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

This demerger under Part IV of the Scheme complies with the definition of 'demerger' as per Section 2(35) of the Income Tax Act, as applicable. If any terms of this Scheme are found to be or interpreted

activities or operations of the Transferor Company between the Appointed Date 2 and the Effective Date shall be dealt with in accordance with the Applicable Laws.

- 20.7 All the Tax compliances/ payments (including but not limited to income tax, service tax, excise duty, central sales tax, applicable state value added tax etc) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits, provisional payments, payment under protest, or otherwise, howsoever, by the Transferor Company after the Appointed Date 2, shall be deemed to be paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 20.8 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company, under Tax Laws or other applicable laws/ regulations dealing with Taxes/ duties/ levies duly complied by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.

## 21. CONSIDERATION

- 21.1 Upon the coming into effect of Part III of the Scheme and in consideration of the amalgamation of the Transferor Company with the Transferee Company and subject to the provisions of this Scheme, the Transferee Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot combination of equity shares and OCRPS, on a proportionate basis to the shareholders of the Transferor Company whose name is recorded in the register of members and/or records of the depository as shareholders of the Transferor Company as on the Effective Date, as under:
- 6000 (Six Thousand) equity share of the Transferee Company having face value of INR 1 (Indian Rupee One only) each fully paid-up for every 1 (One) equity share of INR 100 (Indian Rupees One Hundred only) each of the Transferor Company fully paid-up.
- 200 (Two Hundred) OCRPS of the Transferee Company having face value of INR 1000 (Indian Rupees One Thousand only) each fully paid-up for every 1 (One) equity share of INR 100 (Indian Rupees One Hundred only) each of the Transferor Company fully paid-up. The terms of issue of OCRPS are mentioned in **Schedule I**.
- 21.2 The shares of the Transferee Company to be issued and allotted pursuant to the amalgamation of the Transferor Company with the Transferee Company as per Clause 21.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company, as the case may be, and shall rank *pari passu* in all respects with any existing shares of the Transferee Company, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Transferee Company.
- 21.3 The issue and allotment of the shares of the Transferee Company pursuant to the amalgamation of the Transferor Company with the Transferee Company is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the shareholders of the Transferee Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the equity shares and OCRPS of the Transferee Company under applicable provisions of the Act.
- 21.4 The equity shares and OCRPS of the Transferee Company to be issued in terms of this Scheme shall be issued in dematerialised form or physical form, as the case maybe, in accordance with Applicable Laws. The register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of the equity shares and OCRPS of the Transferee Company in terms of this Scheme.

α  
AVC

21.5 In the event, the Transferor Company and/ or the Transferee Company restructure their share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, as per Clause 21.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.

## 22. ACCOUNTING TREATMENT

Upon the effectiveness of Part III of this Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company in its books as per Indian Accounting Standard (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 including but not limited to the following:

- 22.1 The Transferee Company shall record the assets, liabilities and reserves of the Transferor Company vested in it pursuant to this Scheme, at the respective book values thereof;
- 22.2 The inter-company transactions and balances between the Transferor Company and the Transferee Company shall stand cancelled pursuant to the amalgamation;
- 22.3 The Transferee Company shall credit its share capital account with the aggregate face value of the equity shares and OCRPS issued by it to the shareholders of the Transferor Company as per Clause 21.1 above.
- 22.4 Existing share capital of the Transferor Company will stand cancelled.
- 22.5 The difference, if any arising, between the value of assets, liabilities and reserves of the Transferor Company vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company in accordance with Clause 22.1 above and the aggregate of the face value of the equity shares and OCRPS issued by the Transferee Company to the shareholders of the Transferor Company as consideration pursuant to Clause 21.1 of this Scheme after giving the effect of adjustments referred to in Clause 22.2 above, if any shall be debited or credited as the case may be to 'capital reserve' under the head 'Other Equity'.
- 22.6 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of the merger of the Transferor Company, as stated above, as if the merger had occurred from the beginning of the comparative period.

## 23. REDUCTION OF SHARE CAPITAL OF THE TRANSFEE COMPANY

- 23.1 Upon the effectiveness of Part III of the Scheme and simultaneous to issue of the equity shares and OCRPS of the Transferee Company pursuant to the amalgamation of the Transferor Company with the Transferee Company, the paid-up share capital of the Transferee Company to the extent held by the Transferor Company ("**Transferee Company Cancelled Shares**") shall, without any further application, act, deed, consent, acts, instrument or deed by the Transferee Company, stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Transferee Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme. It is clarified that the approval of the shareholders of the Transferee Company to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Transferee Company under applicable provisions of the Act.
- 23.2 Notwithstanding the reduction in the share capital of the Transferee Company, the Transferee Company shall not be required to add "And Reduced" as suffix to its name.

## 24. COMBINATION OF AUTHORISED SHARE CAPITAL

- 24.1 Upon Part III of the Scheme coming into effect, the authorised share capital of the Transferor Company as on the Effective Date will be combined with the authorised share capital of the Transferee Company

α  
ARC

to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2(35) of the Income Tax Act.

29.2 Without prejudice to the generality of the provisions of Clause 29.1 above, the manner of transfer of the Demerged Undertaking 2 under this Scheme, is as follows:

29.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking 2 which are movable in nature, whether registered or unregistered, whether having any accounting value in the books or not (including but not limited to all intangible assets), capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company 2 to the Resulting Company upon coming into effect of Part IV of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

29.2.2 Subject to Clause 29.2.3 below, with respect to the moveable assets of the Demerged Undertaking 2 other than those referred to in Clause 29.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investment in the subsidiaries and joint ventures of the Demerged Company 2 (engaged in Processed Food and Ancillary Business), sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company 2, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company, with effect from the Appointed Date 2 by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

29.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking 2 which are immovable in nature, whether or not included in the books of the Demerged Company 2, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date 2, without any act or deed or conveyance being required to be done or executed by the Demerged Company 2 and/or the Resulting Company;

29.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 29.2.3 above and Clause 29.2.5 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking 2 in the nature of land and buildings, the Demerged Company 2 and the Resulting Company shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 29.2.4 or Clause 29.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking 2 takes place and the Demerged Undertaking 2 shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;

29.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking 2 in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company, if the Resulting Company so

decides, the Demerged Company 2 and/ or the Resulting Company, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment or deeds of confirmation, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;

- 29.2.6 Upon effectiveness of Part IV of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company 2 as on the Appointed Date 2 and relating to the Demerged Undertaking 2 ("**Demerged Undertaking 2 Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date 2. The term Demerged Undertaking 2 Liabilities shall *inter alia* include:
- 29.2.6.1 the debts, liabilities obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking 2;
  - 29.2.6.2 the specific loans or borrowings including, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking 2; and
  - 29.2.6.3 general or multipurpose borrowings, if any, of the Demerged Company 2 will be apportioned basis the proportion of the value of the assets transferred pursuant to the demerger of the Demerged Undertaking 2 to the total value of the assets of Demerged Company 2 immediately before the Appointed Date 2.
- 29.2.7 Subsequent to the effectiveness of Part IV of the Scheme, the Resulting Company, may give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking 2 stands transferred to the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;
- 29.2.8 In so far as encumbrances, if any, in respect of the Demerged Undertaking 2 Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking 2 which have been encumbered in respect of the Demerged Undertaking 2 Liabilities as transferred to the Resulting Company pursuant to this Scheme. Further, in so far as the assets comprised in the Demerged Undertaking 2 are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company 2 shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company 2 shall provide such other security that may be agreed between the Demerged Company 2 and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- 29.2.9 Subject to Clause 29 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking 2, the Demerged Company 2 shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto,

to the end and intent that the right of the Demerged Company 2 to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

29.2.10 Upon effectiveness of Part IV of the Scheme, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company 2 and are in relation to or in connection with the Demerged Undertaking 2, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company;

29.2.11 Permits, including the benefits attached thereto of the Demerged Company 2, in relation to the Demerged Undertaking 2, shall be transferred to the Resulting Company from the Appointed Date 2, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking 2 without any hindrance, whatsoever; and

29.2.12 Contracts in relation to the Demerged Undertaking 2, where the Demerged Company 2 is a party, shall stand transferred to the Resulting Company pursuant to Part IV of the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company 2 and the Resulting Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

29.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 29 and upon the effectiveness of Part IV of this Scheme, the Resulting Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person. For avoidance of doubt, any procedural obligation required to be fulfilled solely by the Demerged Company 2 upon Part IV of the Scheme becoming effective, shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company 2. The Resulting Company shall, in accordance with Applicable Laws, take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Demerged Company 2 either transferred to the Resulting Company or otherwise to the extent relevant get such Permits and/or contracts reissued/ re-executed /reinstated and/or registered in the name of the Resulting Company.

### **30. EMPLOYEES**

30.1 With effect from the Effective Date, the employees of the Demerged Company 2 engaged in or in relation to the Demerged Undertaking 2 shall become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company 2 and without any interruption in service. The decision on whether or not an employee is part of the Demerged Undertaking 2 shall be decided by the Demerged Company 2, and such decision shall be final and binding on the Demerged Company 2 and the Resulting Company concerned.

30.2 The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company. Pending the transfer as aforesaid, the dues of the said

employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of the Demerged Company 2.

- 30.3 All on-going leave balances, leave encashments, deferred cash benefits and such other dues of the aforesaid employees shall stand transferred to the Resulting Company.
- 30.4 The Boards of the Demerged Company 2 and the Resulting Company or any of the committee(s) thereof, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

### **31. LEGAL PROCEEDINGS**

- 31.1 Upon coming into effect of Part IV of the Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature (including proceedings under the Income Tax Act, if any) by or against the Demerged Company 2 pending and/or arising on or before the Appointed Date 2 or which may be instituted at any time thereafter and in each case relating to the Demerged Undertaking 2 shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company 2. The Resulting Company shall be substituted in place of the Demerged Company 2 or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company 2 and the liability of the Demerged Company 2 shall stand nullified. The Demerged Company 2 shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking 2.
- 31.2 The Resulting Company undertakes to have all legal and other proceedings (including proceedings under the Income Tax Act, if any) initiated by or against the Demerged Company 2 referred to in Clause 31.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company 2 on priority. The Demerged Company 2 and the Resulting Company shall make relevant applications and take all steps as may be required in this regard.
- 31.3 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company 2 is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (including proceedings under the Income Tax Act, if any), in each case in relation to the Demerged Undertaking 2, the Demerged Company 2 shall, in view of the transfer and vesting of the Demerged Undertaking 2 pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company 2 with the Resulting Company. However, if the Demerged Company 2 is unable to get the Resulting Company replaced in its place in such proceedings, the Demerged Company 2 shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company 2, all liabilities and obligations incurred by the Demerged Company 2 in respect thereof.
- 31.4 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Resulting Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority in each case in relation to the Remaining Business of the Demerged Company 2, the Resulting Company shall take all such steps in the proceedings before the Appropriate Authority to replace itself with the Demerged Company 2. However, if the Resulting Company is unable to get the Demerged Company 2 replaced in its place in such proceedings, the Resulting Company shall defend the same or deal with such demand in accordance with the advice of the Demerged Company 2 and at the cost of the Demerged Company 2 and the latter shall reimburse to the Resulting Company, all liabilities and obligations incurred by the Resulting Company in respect thereof.

## 32. TAXES/ DUTIES/ CESS

- 32.1 This Scheme has been drawn up to comply with the conditions relating to demerger as defined under Section 2(35) of the Income Tax Act and applicable provisions of the Income Tax Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the said section of the Income Tax Act shall prevail and the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.
- 32.2 Upon Part IV of the Scheme becoming effective, all taxes paid by the Demerged Company 2 pertaining to the Demerged Undertaking 2 for the period after the Appointed Date 2 and forming part of Demerged Undertaking 2, shall be deemed to have been paid for and on behalf of and to the credit of the Resulting Company and the Resulting Company shall be entitled to take credit for such Taxes notwithstanding that certificates/ challans for the said Taxes are in the name of the Demerged Company 2 and not in the name of the Resulting Company. Further, the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon submission of relevant proof and documents to the said authorities. However, the tax liabilities and tax demands or refund received or to be received by the Demerged Company 2 for a period prior to the Appointed Date 2 in relation to the Demerged Undertaking 2 shall not be transferred as part of the Demerged Undertaking 2 to the Resulting Company.
- 32.3 The Demerged Company 2 shall be liable for any tax payable to Appropriate Authorities under the Tax Laws and shall be entitled to any tax refunds under the Tax Laws, which in each case, arise from the operation or activities of the Demerged Undertaking 2 prior to the Appointed Date 2, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company 2 and whether such payments or receipts are due or realised on, before or after the Appointed Date 2.
- 32.4 If the Demerged Company 2 is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation, if any), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking 2 under any Tax Law or Applicable Law, the Resulting Company subsequent to the Effective Date shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company in accordance with Applicable Law.
- 32.5 Upon Part IV of the Scheme becoming effective, the Demerged Company 2 and/ or the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired but without incurring any liability on account of interest, penalty or any other sum to claim refunds, advance tax credits, GST, excise and service tax credits, set off, etc., pursuant to Part IV of the Scheme coming into effect. In addition to the above, all deduction otherwise admissible to Demerged Company 2 in relation to the Demerged Undertaking 2, payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to the Resulting Company, upon fulfilment of the applicable conditions under the Applicable Law.
- 32.6 Any actions taken by the Demerged Company 2 to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, tax filings, etc.) in respect of the Demerged Undertaking 2 on and from the Appointed Date 2 up to the Effective Date shall be considered as adequate compliance by the Demerged Company 2 with such requirements under the Tax Laws and such actions shall be

deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.

- 32.7 Notwithstanding any other provision of this Scheme, any unutilized GST credits pertaining to the Demerged Undertaking 2 and available in the electronic input GST credit ledger of the Demerged Company 2 maintained by Goods and Services Tax Network (GSTN) or as per the Demerged Company 2's books of account, whichever is lower, shall be transferred by the Demerged Company 2 to the Resulting Company in accordance with Applicable Laws, whereby the Demerged Company 2 and the Resulting Company shall take such actions as may be necessary under Applicable Law to effect such transfer. GST credits and GST liability pertaining to activities or operations of the Demerged Undertaking 2 between the Appointed Date 2 and the Effective Date shall be dealt with in accordance with the Applicable Laws.
- 32.8 All the Tax compliances/ payments (including but not limited to income tax, service tax, excise duty, central sales tax, applicable state value added tax etc) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits, provisional payments, payment under protest, or otherwise, howsoever, by the Demerged Company 2 in relation to the Demerged Undertaking 2 after the Appointed Date 2, shall be deemed to be paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- 32.9 Without prejudice to the aforesaid, it is clarified that as on the current date and prior to the effectiveness of the Scheme, the income-tax returns filed by the Demerged Company 2 for the period prior to the Appointed Date 2 remain pending at various stages before the tax authorities. In respect of certain assessment years, tax demands have already been raised. In other cases, while no tax demands have yet been raised or crystallised, the tax authorities have sought explanations and clarifications in relation to certain transactions, benefits and expenses pertaining to the Demerged Undertaking 2. Accordingly, any liabilities arising from tax demands already raised, and any tax claims that may subsequently be raised, crystallised, identified and found to relate to the Demerged Undertaking 2, ought appropriately to be attributed to the Resulting Company and the same would get transferred to the Resulting Company as an integral part of the Scheme.
- 32.10 Further, the liabilities arising out of indirect tax matters relating to the Demerged Undertaking 2 (which cannot be legally transferred under applicable Goods and Services Tax law and other applicable laws) continues in the name of the Demerged Company 2, but the Resulting Company shall bear all the costs, financial responsibility and obligations in relation thereto.
- 32.11 In view of the above, if the Demerged Company 2 makes any payment to discharge any Tax liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Demerged Undertaking 2 on or after the Appointed Date 2, the Resulting Company shall promptly pay or reimburse the Demerged Company 2 for such payment. In case the Resulting Company makes any payment to discharge any direct Tax liabilities, if any, under Tax Laws that relate exclusively or predominantly to the activities or operations of the Demerged Undertaking 2 prior to the Appointed Date 2, the Demerged Company 2 shall promptly pay or reimburse the Resulting Company for such payment.

### **33. CONSIDERATION**

- 33.1 Upon the coming into effect of Part IV of the Scheme and in consideration of the demerger of the Demerged Undertaking 2 and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company 2 whose name is recorded in the register of members and/or records of the depository as shareholders of the Demerged Company 2 as on the Effective Date, as under:

1 (One) equity share of the Resulting Company having face value of INR 10 (Indian Rupees Ten only) each fully paid up for every 1 (One) equity share of INR 100 (Indian Rupees Hundred only) each of the Demerged Company 2 fully paid up.

1 (One) equity shares of the Resulting Company having face value of INR 10 (Indian Rupees Ten only) each fully paid-up for every 1 (One) OCRPS of INR 1000 (Indian Rupees One Thousand only) each of the Demerged Company 2 fully paid-up.

- 33.2 The shares of the Resulting Company to be issued and allotted pursuant to the demerger of the Demerged Undertaking 2 as per Clause 33.1 above shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing shares of the Resulting Company, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Resulting Company.
- 33.3 The issue and allotment of the shares of the Resulting Company pursuant to the demerger of the Demerged Undertaking 2 is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or its shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the shares of the Resulting Company under applicable provisions of the Act.
- 33.4 The shares of the Resulting Company to be issued in terms of this Scheme shall be issued in dematerialised form or physical form, as the case maybe, in accordance with Applicable Laws. The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of the shares by the Resulting Company in terms of this Scheme.
- 33.5 In the event, the Demerged Company 2 and/ or the Resulting Company restructure their share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, as per Clause 33.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.

#### **34. ACCOUNTING TREATMENT**

The Demerged Company 2 and the Resulting Company shall comply with generally accepted accounting principles in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

##### **34.1 In the books of the Demerged Company 2**

Upon Part IV of the Scheme coming into effect, the Demerged Company 2 shall account for the demerger in its books of accounts as per Indian Accounting Standard (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, including but not limited to the following:

- 34.1.1 The Demerged Company 2 shall derecognise the carrying amounts of all assets and liabilities pertaining to the Demerged Undertaking 2 transferred to the Resulting Company from its books of accounts; and

ARC

34.1.2 The excess of the book value of assets pertaining to the Demerged Undertaking 2 transferred over the book value of the liabilities pertaining to the Demerged Undertaking 2 transferred shall be debited to appropriate reserve within equity.

#### 34.2 In the books of the Resulting Company

Upon Part IV of the Scheme coming into effect, the Resulting Company shall account for the demerger in its books of accounts as per Indian Accounting Standard (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, including but not limited to the following:

34.2.1 The Resulting Company shall record all assets and liabilities, if any of the Demerged Undertaking 2 transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company 2;

34.2.2 If the accounting policies adopted by the Resulting Company are different from those adopted by the Demerged Company 2, the assets, liabilities and reserves of the Demerged Undertaking 2 shall be accounted in the books of the Resulting Company adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015;

34.2.3 Any change effected in the book value of the assets, liabilities and reserves of the Demerged Undertaking 2 pursuant to Clause 34.2.2 above, shall be carried out in the books of the Resulting Company with appropriate disclosures as required under Indian Accounting Standard – 8 “Accounting Policies, Changes in Accounting Estimates and Errors”; and

34.2.4 The difference between: (A) the carrying value of assets minus liabilities, recorded in the books of the Resulting Company; and (B) the aggregate face value of the shares of the Resulting Company issued and allotted to the shareholders of the Demerged Company 2 as consideration, if any, shall be debited/ credited to the capital reserve account of the Resulting Company.

34.2.5 The financial information in the financial statements in respect of prior periods will be restated as if the business combination had occurred from the beginning of the comparative period or the date of incorporation of the Resulting Company, whichever is later.

#### 35. Ancillary Provisions

35.1 The carrying amounts of cashflow hedge reserves allocated to the Demerged Undertaking 2 and being transferred to the Resulting Company pursuant to this Scheme shall be adjusted to the retained earnings of the Demerged Company 2.

35.2 The Demerged Company 2 shall, as an integral part of the Scheme, transfer such amounts from its general reserves and retained earnings equal to the excess of the book value of the assets over the book value of the liabilities and allocated reserves as per Clause 35.1, demerged and being transferred from the Demerged Company 2 to the Resulting Company. The ratio between such transferred general reserves and retained earnings shall be equal to the ratio between the general reserves and retained earnings as appearing in the books of the Demerged Company 2 on the Appointed Date 2. It is clarified that the reserves pursuant to Clauses 34.1.2 and 35.1 above shall be adjusted to the extent of the reserves transferred pursuant to this Clause.

35.3 Similarly, the Resulting Company shall appropriately record the general reserves, cashflow hedge reserves and retained earnings allocated to the Demerged Undertaking 2 and transferred and vested in the Resulting Company pursuant to Clause 35.1 and Clause 35.2 of this Scheme as on the Appointed Date 2. It is clarified that the credit/debit balance of the capital reserve pursuant to Clause 34.2.4 above, shall be adjusted to the extent of the cashflow hedge reserves, general reserves and retained earnings allocated and transferred pursuant to Clauses 35.1 and 35.2 of this Scheme.

AYC

35.4 The transfer, recognition and adjustments of reserves in terms of Clauses 35.1, 35.2 and 35.3 above shall result in reorganisation and/or reduction of share capital and/or capital reserves of the Demerged Company 2 and the Resulting Company, as the case may be, and the same shall be effected pursuant to Sections 230 to 232 of the Act and as an integral part of the Scheme.

35.5 It is clarified that the approval of the shareholders of the Demerged Company 2 and the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reorganisation and/or reduction of the share capital and/or capital reserves of the Demerged Company 2 and the Resulting Company; as the case may be, under applicable provisions of the Act.

**36. BUSINESS UNTIL EFFECTIVE DATE**

36.1 With effect from the date when the Board of the Demerged Company 2 and the Resulting Company approve this Scheme and up to and including the Effective Date, the Demerged Company 2 shall carry on the business pertaining to the Demerged Undertaking 2 in the ordinary course consistent with past practice. Without prejudice to the aforesaid, the Demerged Company 2 and the Resulting Company shall be entitled to declare and pay dividends to their respective shareholders, whether interim or final.

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

36.2.1 the Demerged Company 2 shall be deemed to have been carrying on and shall carry on its businesses and activities in relation to the Demerged Undertaking 2 and shall hold and stand possessed of the assets of the Demerged Undertaking 2 for and on account of, and in trust for the Resulting Company;

36.2.2 all profits or income arising or accruing to the Demerged Company 2 in relation to the Demerged Undertaking 2 or losses arising or incurred by the Demerged Company 2 in relation to the Demerged Undertaking 2 shall, for all purposes, be treated as and deemed to be the profits or income or losses of the Resulting Company; and

36.2.3 all loans raised and all liabilities and obligations incurred by the Demerged Company 2 in relation to the Demerged Undertaking 2 after the Appointed Date 2 and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.

**37. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon coming into effect of Part IV of this Scheme, the resolutions and power of attorney of/ executed by the Demerged Company 2, as are considered necessary by the Board of the Resulting Company, pertaining to the Demerged Undertaking 2, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Resulting Company shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

**38. SAVING OF CONCLUDED TRANSACTIONS**

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company 2 in relation to the Demerged Undertaking 2 until the Effective Date, to the end and intent that the Resulting Company, shall accept and adopt all acts, deeds and

things done and executed by the Demerged Company 2 in respect thereto as done and executed on behalf of the Resulting Company.

**39. PROPERTY IN TRUST**

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking 2 are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities, the Demerged Company 2, will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, in trust for and on behalf of the Resulting Company.

**40. REMAINING BUSINESS OF THE DEMERGED COMPANY 2**

- 40.1 The Remaining Business of the Demerged Company 2 and all the assets, investments, liabilities and obligations thereto, shall continue to belong to and be vested in and be managed by the Demerged Company 2. Upon effectiveness of Part IV of the Scheme, only the Demerged Company 2 shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business of the Demerged Company 2 and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company 2.

**PART V**

**GENERAL TERMS AND CONDITIONS**

**41. FACILITATION PROVISIONS**

- 41.1 Immediately upon the Scheme being effective, the Demerged Company 2 and the Resulting Company shall enter into agreements as may be necessary, *inter alia*, in relation to use of office space, land, building, manufacturing facilities, infrastructure facilities, information technology services, security personnel, trademarks and other intellectual property rights, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between them.
- 41.2 Until the Effective Date, the Demerged Company 1 agrees to grant the Demerged Company 2 and the Resulting Company the right to use the trademarks, designs, logos, labels and other intellectual property owned by it, for such term and on such commercial terms as may be mutually agreed between them.
- 41.3 The transactions of sale and purchase of products between the Parties from the Appointed Date 1 and the Appointed Date 2 and until the Effective Date, shall be recorded on an arm's length basis in their respective books of accounts.
- 41.4 It is clarified that approval of the Scheme by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and that no separate approval of the Board or shareholders shall be required to be sought by the Parties.
- 41.5 It is clarified that all guarantees provided by the: (i) Demerged Company 1 in respect of the Demerged Undertaking 1; and (ii) Demerged Company 2 in respect of the Demerged Undertaking 2, shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company in respect of the Demerged Undertaking 1 and the Demerged Undertaking 2.

#### **42. APPLICATIONS / PETITIONS TO THE TRIBUNAL**

The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

#### **43. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

- 43.1 The Board of the Parties acting jointly may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 43.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding as if the same were specifically incorporated in this Scheme.

#### **44. CONDITIONS PRECEDENT**

- 44.1 Unless otherwise decided by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 44.1.1 approval of the Scheme by the requisite majority of each class of shareholders and such other classes of persons of the Parties, as applicable or as may be required under the Act and as may be directed by the Tribunal;
  - 44.1.2 the sanction and order of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties; and
  - 44.1.3 certified copies of the order of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties.
- 44.2 On the approval of this Scheme by the respective requisite majorities of the shareholders of each of the Parties as required under Applicable Law, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the arrangement set out in this Scheme, related matters and this Scheme itself and shall not cause or required to pass separate resolutions to that effect.

#### **45. CHRONOLOGY OF IMPLEMENTATION OF THE SCHEME**

- 45.1 The entire Scheme shall be made effective simultaneously in the order as contemplated below:
- 45.1.1 Part II shall be made effective and Part III of the Scheme shall be made effective immediately after effectiveness of Part II of the Scheme; and
  - 45.1.2 Part IV of the Scheme shall be made effective immediately after effectiveness of Part III of the Scheme and discharge of consideration under Clause 21.1 under Part III of the Scheme.

#### **46. CHANGE OF NAME OF THE DEMERGED COMPANY 2 AND THE RESULTING COMPANY**

- 46.1 Upon Part IV of the Scheme becoming effective, the name of the Resulting Company and the Demerged Company 2 shall stand changed to 'Parle Biscuits Limited' and 'Parle Products Private Limited', respectively or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority and no separate consent, approval, act, procedure, instrument, or deed shall be required to be obtained or followed under the Act.

46.2 Consequently, subject to Clause 46.1 above, Clause I of the memorandum of association of the Resulting Company and the Demerged Company 2 shall without any act, procedure, instrument or deed be and stand altered, modified and amended, to reflect the revised name of the Resulting Company and the Demerged Company 2.

46.3 It is hereby clarified that, for the purposes of acts and events as mentioned in Clause 46.1 to 46.2, the consent of the shareholders of the Resulting Company and the Demerged Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed.

**47. WITHDRAWAL OF THIS SCHEME**

47.1 The Board of the Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

47.2 In the event of withdrawal of the Scheme under Clause 47.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Parties or their respective shareholders or creditors or employees or any other Person.

**48. COSTS AND EXPENSES**

Parties shall bear all costs related to this Scheme (including taxes, duties, stamp duties and registration charges) or any part thereof, in accordance with their mutual agreement.

  
Ajay V. Chauhan  
(Managing Director)  
DIN : 00290837

**Schedule I**  
**Terms and Conditions of Optionally Convertible Redeemable Preference Shares (OCRPS)**

<b>S. No</b>	<b>Particulars</b>	<b>Terms</b>
1	Face Value	The OCRPS will be issued at a Face Value of INR 1,000 each
2	Coupon	This would be the market rate (7%), payable annually, if declared for equity subject to deduction of taxes at source if applicable
3	Accumulation of Dividend	The OCRPS shall be non-cumulative and non-participating in nature
4	Voting Rights	The holder of OCRPS shall have the right to vote in accordance with Section 47 of the Companies Act, 2013
5	Conversion	Each OCRPS is convertible into 1 equity share of Transferee Company at any time at the option of the Transferee Company.
		Each OCRPS shall be redeemable at any time at the option of the Transferee Company based on the Face Value
		If the OCRPS are not converted into equity share within 20 years from the date of allotment, then the OCRPS shall be redeemed mandatorily at Face value
6	Rank	The OCRPS will rank senior to the Equity Shares
7	Participation in Surplus Asset	The holder of OCRPS is not entitled in the event of liquidation to participate in the surplus assets

10/10/2020



