

**COMPOSITE SCHEME OF AMALGAMATION (MERGER BY ABSORPTION) CUM
DEMERGER AND ARRANGEMENT**

AMONGST

HYDRA ACTIVE PHARMA SCIENCES PRIVATE LIMITED

AND

AUORE LIFE SCIENCES PRIVATE LIMITED

AND

EMPYREAN LIFESCIENCES PRIVATE LIMITED

AND

SOLARA ACTIVE PHARMA SCIENCES LIMITED

AND

**THEIR RESPECTIVE SHAREHOLDERS
(UNDER SECTION 230 TO 232 AND SECTION 66 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013)**



Signature and stamp of Solara Active Pharma Sciences Limited. The stamp is circular with the text "SOLARA ACTIVE PHARMA SCIENCES LIMITED" and a star. The signature is written in blue ink over the stamp.



Signature and stamp of Aurore Life Sciences Private Limited. The stamp is circular with the text "Aurore Life Sciences Private Limited" and a star. The signature is written in blue ink over the stamp.

Signature and stamp of Empyrean Lifesciences Private Limited. The stamp is circular with the text "Empyrean Lifesciences Private Limited" and a star. The signature is written in blue ink over the stamp.

A. PREAMBLE

This Composite Scheme of Amalgamation (merger by absorption) cum Demerger and Arrangement ("the Scheme" as more particularly defined hereunder) is presented under Sections 230 to 232 and Section 66 and other applicable provisions of the Act (as defined below) provides for:

- a) Redemption of 0.1% Redeemable Preference Shares of Rs. 1,000 each issued by Hydra Active Pharma Sciences Private Limited ("Hydra" or "Amalgamating Company 1" or "Transferor Company 1"),
- b) Subject to satisfactory fulfilment and accomplishment of (a) above, amalgamation of Transferor Company 1 with Aurore Life Sciences Private Limited ("Aurore Life Sciences" or "Amalgamated Company 1" or "Transferee Company 1" or "Demerged Company"),
- c) Subject to satisfactory fulfilment and accomplishment of (a) and (b) above, demerger of the Demerged Undertaking (*defined in clause 1.12*) from Demerged Company into Solara Active Pharma Sciences Limited ("Solara" or "Resulting Company" or "Amalgamated Company 2" or "Transferee Company 2"),
- d) Subject to satisfactory fulfilment and accomplishment of (a), (b) and (c) above, amalgamation of Empyrean Lifesciences Private Limited ("Empyrean" or the "Amalgamating Company 2" or "Transferor Company 2") with the Transferee Company 2.

Hydra, Empyrean, Solara and Aurore Life Sciences are collectively referred to as "Companies" and individually as "Company"

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B. BACKGROUND

1. Aurore Life Sciences is a private limited company incorporated on 26th September 2016 with Corporate Identification Number: U74999TG2016PTC112170 and having its registered office at First Floor, Fine Mansion, 203 D.N. Road, Fort, Mumbai – 400001.



Aurore Life Sciences is engaged in the business of manufacturing and development of Active Pharmaceutical Ingredients ("API"), Contract Manufacturing and Development Services. Aurore Life Sciences holds 100% of share capital of Empyrean.

2. Empyrean is a private limited company incorporated on 19th June 2014 with Corporate Identification Number: U24232MH2014PTC367624 and having its registered office at First Floor, Fine Mansion, 203 D.N. Road, Fort, Mumbai – 400001. Empyrean is a wholly owned subsidiary of Aurore Life Sciences and is engaged in the pharmaceutical business.
3. Hydra is a private limited company incorporated on 6th December 2016 with Corporate Identification Number: U74999MH2016PTC365641 and having its registered office at First Floor, Fine Mansion, 203 D.N. Road, Fort, Mumbai – 40000. Hydra is engaged in the pharmaceutical business through its subsidiary company Aurore Life Sciences, in which it holds 61.65% stake.
4. Solara is a public limited company incorporated on 23rd February 2017 with Corporate Identification Number: L24230MH2017PLC291636 and having its registered office at 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703, Maharashtra. Solara is engaged in the business of manufacturing and development of API and also offers Contract Manufacturing and Development Services to the global companies. The shares of Solara are listed and traded on BSE Limited and National Stock Exchange of India Limited.

C. RATIONALE

The Transferor Company 1, Transferor Company 2, Demerged Company and Transferee Company 2 are engaged in similar lines of business and complement each other. With an intent to expand the business and achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams, the Board of Directors of all the Companies propose to consolidate the business of Transferor Company 1, Transferor Company 2 and the API business of the Demerged Company with the Transferee Company 2. The proposed Scheme would *inter alia* have the following benefits:



1. Enable the consolidation of the API business of the Demerged Company and Transferor Company 2 with the Transferee Company 2 to create one of the largest API players in the industry and will facilitate focused growth, operational efficiency, integration synergies and better supervision of the business.
2. Enhance business potential and increased capability to offer a wider portfolio of products with a diversified resource base and deeper client relationships.
3. Significantly de-risk operations with the combined entity having seven manufacturing facilities, three Research & Development Centres and footprint in 75 + countries enabling a wider market reach and customer offerings.
4. Improve organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
5. Enable greater access to different market segments in conduct of its business and addition of new products in the portfolio would improve the competitive position of the combined entity.
6. Add new Research and Development capabilities, new products pipeline and capabilities and would also bring in large Contract Research and Manufacturing business innovator relationship.
7. Result in financial resources being efficiently merged and pooled leading to more effective and centralized management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads.
8. Further, the synergies arising out of the consolidation of business will lead to enhancement of net worth of the combined business and enhancement in earnings and cash flow would optimize the value of the Transferee Company 2 and enhance the shareholder's value.
9. Moreover, the Scheme is expected to increase the long-term value for all the shareholders of the Transferor Company 1, Transferor Company 2, Demerged Company and Transferee Company 2. Further, the public shareholders of the Transferee Company 2 will have an opportunity to participate in the profit and growth of the businesses of Transferor Company 1, Transferor Company 2 and Demerged Undertaking (as defined in Clause 1.12 below) of the Demerged Company which are currently unlisted.

The Transferor Company 1 has outstanding preference share capital issued to the



Redeemable Preference Shares Holder which are redeemable in terms of the issue. Transferor Company 1 also has accrued receivables due from the Redeemable Preference Shares Holder in the ordinary course of business. The Board of Directors of the Transferor Company 1 and the Transferee Company 1 are of the opinion that redemption of the Redeemable Preference Shares and discharging the liability of the Redeemable Preference Shares against the Redeemable Preference Shares Holder Receivables prior to the amalgamation of Transferor Company 1 with Transferee Company 1 is appropriate. The aforesaid redemption of Redeemable Preference Shares would be beneficial to the Transferee Company 1 and its shareholders as the Transferee Company 1 would not be required to issue the Redeemable Preference Shares as part of the Scheme. The redemption / reduction of the Redeemable Preference Shares is an integral part of the Scheme.

In view of the aforesaid, the Board of Directors of the Companies have considered and proposed this Scheme and matters incidental thereto pursuant to the provisions of Sections 230 to 232 and Section 66 and other relevant provisions of the Act.

D. PARTS OF THE SCHEME

The Scheme is divided into following parts:

1. Part I deals with Definitions, Interpretations and Share Capital
2. Part II deals with the redemption of the Redeemable Preference Shares of Transferor Company 1
3. Part III deals with the amalgamation of the Transferor Company 1 with the Transferee Company 1
4. Part IV deals with the demerger of the Demerged Undertaking (*as defined below*) from Demerged Company into the Resulting Company
5. Part V deals with the amalgamation of the Transferor Company 2 with the Transferee Company 2.
6. Part VI deals with General Terms and Conditions applicable to the Scheme and other matters consequential and integrally connected thereto.

Though this Scheme is divided into various parts for the purpose of convenience, it is to be implemented as a single inseparable comprehensive Scheme.



E. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME-TAX ACT, 1961

The Scheme has been drawn up in compliance with the conditions relating to 'Amalgamation' as specified under Section 2(1B) and 'Demerger' as specified under Section 2(19AA) of the Income-tax Act, 1961 ('IT Act'). If any of the terms or provisions of the Scheme is / are found or interpreted to be inconsistent with the provisions of Section 2(1B) and/or Section 2(19AA) of the IT Act at a later date, including resulting from an amendment of Law or for any other reason whatsoever, the provisions of Section 2(1B) and/or Section 2(19AA) of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) and/or Section 2(19AA) of the IT Act, 1961. Such modifications will however not affect the other parts of the Scheme.

F. NO ARRANGEMENT WITH CREDITORS

Under the proposed Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured creditors of the Transferor Company 1, Transferor Company 2, Transferee Company 1 and Transferee Company 2/Resulting Company. No compromise is offered under this Scheme to any of the creditors of the Transferor Company 1, Transferor Company 2, Transferee Company 1 and Transferee Company 2/Resulting Company. The liability towards the creditors of the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and the Transferor Company 2 is neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company 1, and the Transferee Company 2 (to the extent of the Demerged Undertaking and the Transferor Company 2) respectively, in its ordinary course of business.

PART I - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. Definitions

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



- 1.1 **“Act”** means the Companies Act, 2013 and the rules and regulations made thereunder and shall include any statutory modification, amendments or re-enactment thereof for the time being in force;
- 1.2 **“Amalgamated Company 1” or “Transferee Company 1” or “Demerged Company”** means Aurore Life Sciences Private Limited (Corporate Identification Number: U74999TG2016PTC112170), a private limited company incorporated under provisions of the Companies Act, 2013 and having its registered office at First Floor, Fine Mansion, 203 D.N. Road, Fort, Mumbai – 400001.
- 1.3 **“Amalgamated Company 2” or “Transferee Company 2” or “Resulting Company”** means Solara Active Pharma Sciences Limited (Corporate Identification Number: L24230MH2017PLC291636), a public company incorporated under provisions of the Companies Act, 2013 and having its registered office at 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703, Maharashtra;
- 1.4 **“Amalgamating Company 1” or “Transferor Company 1”** means Hydra Active Pharma Sciences Private Limited (Corporate Identification Number: U74999MH2016PTC365641), a private limited company incorporated under provisions of the Companies Act, 2013 and having its registered office at First Floor, Fine Mansion, 203 D.N. Road, Fort, Mumbai – 400001.
- 1.5 **“Amalgamating Company 2” or “Transferor Company 2”** means Emphyrean Lifesciences Private Limited (Corporate Identification Number: U24232MH2014PTC367624), a private limited company incorporated under provisions of the Companies Act, 2013 and having its registered office at First Floor, Fine Mansion, 203 D.N. Road, Fort, Mumbai – 400001.
- 1.6 **“Appointed Date”** means 1st October, 2021 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority / Appropriate Authority;
- 1.7 **“Applicable Law”** means any applicable statute, law, regulation, ordinance, rule, judgement, order, decree, clearance, approval, directive, guideline, requirement or any



similar form of determination by or decision of any Appropriate Authority, that is binding or applicable to a Person, whether in effect as of the date on which this Scheme has been approved by the Board of the Companies or at any time thereafter;

- 1.8 **“Appropriate Authority”** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Company Law Board, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal and such other sectoral regulators or authorities as may be applicable;
- 1.9 **“Board of Directors”** means Board of Directors of the Transferor Company 1 and/or the Transferor Company 2 and/or the Transferee Company 1 and/or the Transferee Company 2, as the case may be or any committee thereof duly constituted, or any other person duly authorized by the Board for the purpose of this Scheme;
- 1.10 **“Business of the Transferor Company 1”** means the entire business and whole of assets, properties, liabilities, debts, employees, duties, obligations and the undertaking(s) and business(s) of whatsoever nature and kind and wherever situated, on a going concern basis of the Transferor Company 1, which shall include, without limitation
- i. all the assets and properties (whether movable or immovable properties, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts), including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipments, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freeholds, leasehold or



- any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipments, computers and all stocks including API ingredients;
- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes;
 - iii. all investments (including shares, scripts, stocks, bonds, debentures, debenture stock, units of mutual funds and other securities), including dividends declared or interest accrued thereon;
 - iv. all rights or benefits (including right to claim not preferred or made), benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;
 - v. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's 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 company or in connection with or relating to the said company 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 company;
 - vi. all permissions, approvals, consents, subsidies privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements,



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contracts and arrangements and all other interests in connection with or relating to the company;

- vii. all licenses (including licenses under the Drugs and Cosmetics Act, 1940 and Food Safety and Standards Act, 2006 but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the company;
- viii. all agreements, contracts, arrangements, understandings, engagements, [deeds and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under;
- ix. all application monies, advance monies, earnest monies and/ or security deposits paid or deemed to have been paid and payments against other entitlements of the company;
- x. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the company;
- xi. all intellectual property rights such as, but not limited to registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the company, whether or not recorded in the books of accounts and other intellectual rights of any



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nature whatsoever (including applications for registrations of the same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list 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 the business activities and operations of the company, whether used or held for use by it; and

- xii. any and all permanent employees, who are on the payrolls of the company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the company.

1.11 **“Business of the Transferor Company 2”** means the entire business and whole of assets, properties, liabilities, debts, employees, duties, obligations and the undertaking(s) and business(s) of whatsoever nature and kind and wherever situated, on a going concern basis of Transferor Company 2, which shall include, without limitation

- i. all the assets and properties (whether movable or immovable properties, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts), including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipments, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freeholds, leasehold or any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipments, computers and all stocks including API ingredients;
- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes;
- iii. all investments (including shares, scripts, stocks, bonds, debentures, debenture stock, units of mutual funds and other securities), including dividends declared or interest accrued thereon;



- iv. all rights or benefits (including right to claim not preferred or made), benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;
- v. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's 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 company or in connection with or relating to the said company 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 company;
- vi. all permissions, approvals, consents, subsidies privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the company;
- vii. all licenses (including licenses under the Drugs and Cosmetics Act, 1940 and Food Safety and Standards Act, 2006 but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service



Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the company;

- viii. all agreements, contracts, arrangements, understandings, engagements, [deeds and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under;
- ix. all application monies, advance monies, earnest monies and/ or security deposits paid or deemed to have been paid and payments against other entitlements of the company;
- x. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the company;
- xi. all intellectual property rights such as, but not limited to registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the company, whether or not recorded in the books of accounts and other intellectual rights of any nature whatsoever (including applications for registrations of the same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list 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 the business activities and operations of the company, whether used or held for use by it; and
- xii. any and all permanent employees, who are on the payrolls of the company, employees/personnel engaged on contract basis and contract labourers and



interns/trainees, engaged by the company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the company.

1.12 **“Demerged Undertaking”** means the active pharmaceutical ingredient (‘API’) business of the Demerged Company as identified by the Board of Directors of Demerged Company, on a going concern basis, comprising, inter alia, of all assets, properties, liabilities, permits, licenses, registrations, approvals, contracts, and employees, in relation to and pertaining to such API business and shall include without limitation:

- i. all properties and assets of the Demerged Undertaking including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, furniture, fixtures, office equipment, appliances, accessories, vehicles, investments (including investments in Transferor Company 2), stocks including API ingredients; sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licenses, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company with respect to Demerged Undertaking;
- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes for the purpose of carrying on the business of Demerged Undertaking;
- iii. all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or



other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities pertaining to Demerged Undertaking;

- iv. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's 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 company or in connection with or relating to the said company 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 Demerged Undertaking;
- v. all permissions, approvals, consents, subsidies privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to Demerged Undertaking;
- vi. all licenses (including licenses under the Drugs and Cosmetics Act, 1940 and Food Safety and Standards Act, 2006) but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever for the purpose of carrying on the business of Demerged Undertaking ;
- vii. all application monies, advance monies, earnest monies and/ or security deposits paid or deemed to have been paid and payments against other entitlements with respect to Demerged Undertaking;



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- viii. all agreements, contracts, arrangements, understandings, engagements, [deeds and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under; for the purpose of carrying on the business of Demerged Undertaking;
- ix. all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under section 115JA/115JB of the Income-tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other taxation statute enjoyed by the Demerged Company with respect to Demerged Undertaking;
- x. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the company of the Demerged Undertaking;
- xi. all permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to Demerged Undertaking, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to Demerged Undertaking;
- xii. all books, records, files, papers, process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other



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records whether in physical or electronic form in connection with or relating to Demerged Undertaking; and

- xiii. all permanent and/or temporary employees, workmen, staff, contract staff or laborers engaged in the business of Demerged Undertaking as may be determined by the board of directors of Demerged Company.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between Board of Directors of the Demerged Company and the Resulting Company.

Further the Board of Directors of the Demerged Company and the Resulting Company may mutually decide the modalities/commercial arrangement between the said Companies with regard to utilization of resources to ensure smooth transition and functioning of the respective businesses.

- 1.13 **"Effective Date"** means the last of the dates on which all the conditions and matters referred to in Clause 44 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.

- 1.14 **"Encumbrance" or to "Encumber"** means without limitation any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;

- 1.15 **"IT Act" or "Income-tax Act"** means the Income-tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;



- 1.16 **"Governmental Authority" or "Government Body"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- 1.17 **"Long Stop Date"** shall have the meaning set out in Clause 45 of the Scheme;
- 1.18 **"National Company Law Tribunal" or "NCLT" or "Tribunal"** means the National Company Law Tribunal having jurisdiction in relation to the Companies and/ or the National Company Law Appellate Tribunal ("NCLAT") as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;
- 1.19 **"Parties" or "Companies"** means collectively the Transferor Company 1, Transferor Company 2, Transferee Company 1 and the Transferee Company 2 and "Party" or "Company" shall mean each of them, individually;
- 1.20 **"Record Date 1"** means a mutually agreed date to be fixed by the Board of Directors of the Transferor Company 1 and Transferee Company 1 for the purposes of determining the shareholders of the Transferor Company 1 to whom shares would be issued and allotted in accordance with Clause 13.1 of this Scheme;
- 1.21 **"Record Date 2"** means a mutually agreed date to be fixed by the Board of Directors of the Demerged Company and Resulting Company for the purposes of determining the shareholders of the Demerged Company to whom shares would be issued and allotted in accordance with Clause 21.1 of this Scheme;
- 1.22 **"Registrar of Companies"** means the Registrar of Companies having jurisdiction over the Companies.
- 1.23 **"Redeemable Preference Shares"** means 0.1% non-convertible non-cumulative redeemable preference shares of face value of Rs. 1,000/- each issued by the Transferor Company 1;



- 1.24 **"Redeemable Preference Shareholders"** means the person whose name is entered in the register of members as the holders of the Redeemable Preference Shares as on the Effective Date;
- 1.25 **"Receivables"** means amount receivable by Transferor Company 1 from the respective Redeemable Preference Shareholders as on the Effective Date;
- 1.26 **"Retained Business"** or **"Remaining Business"** or **"Remaining Business of the Demerged Company"** or **"Retained Business of the Demerged Company"** means all the business, units, divisions, undertakings, assets, investments (including strategic investments in Aurore Pharmaceuticals Private Limited) and liabilities of the Demerged Company (including the Transferee Company 1) other than the Demerged Undertaking (as defined in clause 1.12);
- 1.27 **"Scheme"** or **"the Scheme"** or **"this Scheme"** or **"the Scheme of Amalgamation"** means this Composite Scheme of Amalgamation (Merger by absorption) cum Demerger and Arrangement in its present form submitted to the NCLT or with any modification(s) made under Clause 41 of this Scheme or with such other modifications/amendments as the NCLT may direct;
- 1.28 **"SEBI"** means the Securities Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.29 **"SEBI Circulars"** means the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried out under the Act and shall inter-alia refer to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time.
- 1.30 **"Stock Exchange"** means BSE Limited and National Stock Exchange of India Limited;
2. In this Scheme, unless the context otherwise requires:
- words denoting the singular shall include the plural and vice versa;
 - headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
 - references to the word "include" or "including" shall be construed without



- limitation;
- d) a reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
 - e) unless otherwise defined, the reference to the word "days" shall mean calendar days;
 - f) reference to a document includes an amendment or supplement to, or replacement or novation of that document;
 - g) word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
 - h) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof for the time being in force.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other statutory authorities or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.

4. SEQUENCE OF EFFECTIVENESS OF THE SCHEME

Upon the Scheme becoming effective, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective and operative only in the order mentioned hereunder:

- a. Part II which provides for the redemption of the Redeemable Preference Shares of Transferor Company 1 against the Redeemable Preference Shares Holder Receivables shall be operative prior to coming effect of Part III, IV and V of the Scheme;



- b. Part III which provides for amalgamation and vesting of Transferor Company 1 with Transferee Company 1 shall be operative subsequent to coming effect of Part II of the Scheme but prior to coming effect of Part IV and Part V of the Scheme;
- c. Part IV which provides for the demerger of Demerged Undertaking from Demerged Company to Resulting Company shall be operative subsequent to coming effect of Part II and Part III of the Scheme but prior to coming effect of Part V of the Scheme;
- d. Part V which provides for amalgamation and vesting of Transferor Company 2 with Transferee Company 2 shall be operative subsequent to coming effect of Part II, Part III and Part IV of the Scheme;

5. SHARE CAPITAL

5.1 The share capital of the Transferor Company 1 as on 30th September 2021 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
11,84,01,200 Equity Shares of Rs. 10/- each	1,18,40,12,000
2,75,988 0.1% Redeemable Preference Shares of Rs. 1,000/- each	27,59,88,000
Total	146,00,00,000
Issued, Subscribed and Paid-up Share Capital	
9,34,51,617 Equity Shares of Rs. 10/- each	93,45,16,170
2,75,988, 0.1% Redeemable Preference Shares of Rs. 1,000/- each	27,59,88,000
Total	1,21,05,04,170

There has been no change in the issued, subscribed and paid-up share capital of the Transferor Company 1 subsequent to 30th September 2021.

5.2 The share capital of the Transferor Company 2 as on 30th September 2021 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
5,00,000 Equity Shares of Rs. 10/- each	50,00,000



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Particulars	Amount (Rs.)
Total	50,00,000
Issued, Subscribed and Paid-up Share Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000
Total	1,00,000

The Transferee Company 1 holds the entire paid-up share capital of the Transferor Company 2. There has been no change in the issued, subscribed and paid-up share capital of the Transferor Company 2 subsequent to 30th September 2021.

5.3 The share capital of the Transferee Company 1 as on 30th September 2021 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
16,13,00,000 Equity Shares of Rs. 10/- each	161,30,00,000
27,00,000 Compulsory Convertible Preference Shares of Rs.10/- each	2,70,00,000
1,00,000 Optionally Convertible Redeemable Preference Shares of Rs. 1000 each"	10,00,00,000
Total	174,00,00,000
Issued, Subscribed and Paid-up Share Capital	
10,11,21,925 Equity Shares of Rs. 10/- each	101,12,19,250
Total	101,12,19,250

The Transferor Company 1 holds 61.65% of the paid-up share capital of the Transferee Company 1. There has been no change in the issued, subscribed and paid-up share capital of the Transferee Company 1 subsequent to 30th September 2021.

5.4 The share capital of the Transferee Company 2 as on 30th September 2021 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
12,00,00,000 Equity Shares of Rs. 10/- each	120,00,00,000
Total	120,00,00,000
Issued, Subscribed and Paid-up Share Capital	



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3,59,29,767 Equity Shares of Rs. 10/- each	35,92,97,670
Total	35,92,97,670

The equity shares of the Transferee Company 2 are listed on Stock Exchange.

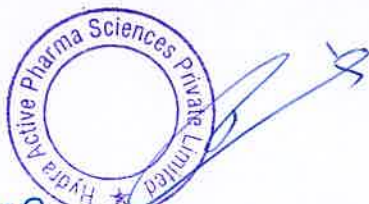
**Part II – REDEMPTION OF REDEEMABLE PREFERENCE SHARES AGAINST
THE REDEEMABLE PREFERENCE SHAREHOLDERS RECEIVABLES**

6. REDEMPTION OF REDEEMABLE PREFERENCE SHARES OF TRANSFEROR COMPANY

- 6.1 Upon Part II of the Scheme becoming effective and with effect from the Appointed Date, the Redeemable Preference Shares of the Transferor Company 1 as on the Effective Date will stand redeemed pursuant to the provisions of the Act without any further act and to that extent the preference share capital of Transferor Company 1 will stand reduced and corresponding redemption liability shall be credited to preference share capital redemption liability account.
- 6.2 The preference share capital redemption liability shall be discharged by means of constructive payment of an amount equivalent to the redemption amount of the Redeemable Preference Shares. Further, there shall be constructive receipt of an equivalent amount toward the repayment of the Receivables due from the Redeemable Preference Shareholders as on the Effective Date.
- 6.3 On effecting the redemption of Redeemable Preference Shares, the share certificates in respect of the Redeemable Preference Shares held by the Redeemable Preference Shareholders shall also be deemed to have cancelled.
- 6.4 Pursuant to the redemption of Redeemable Preference Shares in the manner provided in Clause 6.2, the Receivables due from the Redeemable Preference Shareholders as on the Effective Date shall be reduced only to the extent of the Redeemable Preference Shares redeemed. The Receivables, if any, after such redemption shall continue to be payable by the respective Redeemable Preference Shareholders to the Transferor Company 1.
- 6.5 Pursuant to the redemption of Redeemable Preference Shares as stated in Clause 6.1 above, any arrears of dividend on Redeemable Preference Shares or any other liability, whether present or contingent, of the Transferor Company 1 pertaining to Redeemable



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Preference Shares shall, upon the Scheme being effective, abate and there shall be no liability of the Transferor Company 1 in respect of Redeemable Preference Shares so cancelled.

6.6 The redemption of Redeemable Preference Shares of the Transferor Company 1 shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 and other applicable provisions of the Act separately, In any event, it shall be deemed that the members of Transferee Company 1 who have approved the Scheme have also resolved and accorded all relevant consents under Section 66 of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable and that there will be no need to pass a separate shareholders' resolution as required under Section 66 or otherwise of the Companies Act, 2013 and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the said reduction of Redeemable Preference Shares.

6.7 Notwithstanding the redemption of Redeemable Preference Share Capital of the Transferor Company 1, the Transferor Company 1 shall not be required to add "And Reduced" as suffix to its name.

7. ACCOUNTING TREATMENT ON REDEMPTION OF REDEEMABLE PREFERENCE SHARES

7.1 On the Scheme becoming effective and with effect from the Appointed Date, the Transferor Company 1 in respect of redemption of Redeemable Preference Shares shall:

- i. debit the issued, subscribed and paid-up Redeemable Preference Shares in its books of accounts with the aggregate face value of Redeemable Preference Shares redeemed pursuant to Clause 6.1 of the Scheme by way of constructive payment to the Redeemable Preference Shareholders.
- ii. credit the sum of aggregate face value of the Redeemable Preference Shares redeemed by way of constructive receipt of an amount towards Receivables due from the Redeemable Preference Shareholders.



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**Part III - AMALGAMATION (MERGER BY ABSORPTION) OF TRANSFEROR COMPANY
1 WITH TRANSFEREE COMPANY 1**

**8. TRANSFER AND VESTING OF ASSETS AND LIABILITIES OF TRANSFEROR
COMPANY 1 WITH THE TRANSFEREE COMPANY**

- 8.1 Immediately upon Part II of the Scheme becoming effective and with effect from the Appointed Date, the whole of the Business of the Transferor Company 1 shall, pursuant to the sanction of this Scheme and pursuant to the applicable provisions of the Act and also in accordance with Section 2(1B) of the IT Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 1, each as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, on and from the Appointed Date, the Business of the Transferee Company 1 by virtue of and in the manner provided in this Scheme.
- 8.2 Upon Scheme becoming effective and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property of Transferor Company 1, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company 1, without any act or deed done by the Transferee Company 1, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company 1 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company 1 by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Company 1 shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company 1.
- 8.3 Notwithstanding anything contained in this Scheme, the immovable properties of the Transferor Company 1 situated within different states, whether owned or leased, for the purpose of, inter alia, payment of stamp duty, and vesting into the Transferee Company 1 and if the Transferee Company 1 so decides, the parties, upon the Scheme



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becoming effective, shall execute or register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company 1 in respect of such immovable properties. Each of the immovable properties, only for the 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 the Scheme.

- 8.4 Without prejudice to the generality of the foregoing, upon the Scheme becoming effective and with effect from the Appointed Date, it is expressly provided that in respect of such of the assets of the Transferor Company 1 that are movable in nature and/or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Company 1 and shall become the property of the Transferee Company 1 in pursuance of the provisions of sections 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.
- 8.5 Upon the Scheme becoming effective, in respect of movables other than those dealt with in Clause 8.4 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company 1 without any notice or other intimation to the debtors (although the Transferee Company 1 may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company 1).
- 8.6 Upon the Scheme becoming effective and with effect from the Appointed Date, all lease and licence agreements, if any, entered into by the Transferor Company 1 with landlords, owners and lessors in connection with the use of the assets of the Business, together with security deposit, shall stand automatically transferred in favour of the Transferee Company 1 on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company 1 shall continue to pay rent amounts as provided



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for in such agreement and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Company 1.

- 8.7 Upon the Scheme becoming effective, and with effect from the Appointed Date all liabilities relating to and comprised in the Business of the Transferor Company 1 including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company 1 of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company 1 under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 8.8 Where any of the liabilities and obligations of the Transferor Company 1 as on the Appointed Date deemed to be transferred to the Transferee Company 1 have been discharged by the Transferor Company 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company 1, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company 1 after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company 1 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company 1 and shall become the liabilities and obligations of the Transferee Company 1 which shall meet, discharge and satisfy the same.
- 8.9 Upon the Scheme becoming effective and with effect from the Appointed Date, all staff, workmen and employees in relation to the Transferor Company 1 shall become the staff, workmen and employees of the Transferee Company 1, without any further act or deed to be done by the Transferor Company 1 or the Transferee Company 1.
- 8.10 Upon the Scheme becoming effective, the Transferee Company 1 shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company 1 is a party in order to give formal effect to the above provisions. The Transferee Company 1 shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company 1 to carry out or perform all such formalities or



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- compliances referred to above on part of the Transferor Company 1.
- 8.11 All taxes, duties, cess payable by the Transferor Company 1 including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company 1.
- 8.12 Upon the Scheme becoming effective, all the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company 1 and all rights and benefits that have accrued or which may accrue to the Transferor Company 1, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company 1 so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company 1 and shall remain valid, effective and enforceable on the same terms and conditions.
- 8.13 Upon the Scheme becoming effective, all the brands and trademarks (including logo and right to use the trademarks) of the Transferor Company 1 including registered and unregistered trademarks, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and vest in the Transferee Company 1. The Transferee Company 1 shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company 1.
- 8.14 Upon the Scheme becoming effective, all the insurance policies registered in the name of the Transferor Company 1 which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company 1 and accordingly, the



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insurance companies shall record the name of the Transferee Company 1 in all the insurance policies registered in the name of the Transferor Company 1 so as to ensure that all the rights and privileges under all such policies available to the Transferor Company 1 and / or to any other person/director/employee of such Transferor Company 1; whether in the capacity of the policy holder or owner or insured or the beneficiary, as the case may be, be available to the benefit of the Transferee Company 1 and / or to any other person/director/employee of Transferee Company 1, as the case may be, on the same terms and conditions as they were applicable to the Transferor Company 1 concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company 1 as if instead of the Transferor Company 1, the Transferee Company 1 had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Transferor Company 1 shall be borne by the Transferee Company 1 and the Transferor Company 1 shall have no further obligations in this regard.

8.15 Upon the Scheme becoming effective and with effect from the Appointed Date, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternate Tax credit under section 115JAA of the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, Goods and Services Tax including the Integrated Goods and Services Tax input tax credit, Central Goods and Services Tax input tax credit and State Goods and Services Tax input tax credit for the registrations of the Transferor Company 1 in all the states, to which the Transferor Company 1 are entitled to shall be available to and vest in the Transferee Company 1.

8.16 The Transferee Company 1 shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company 1.



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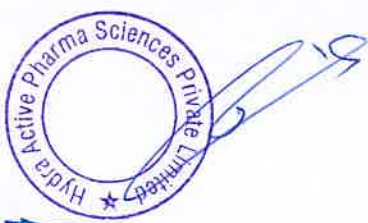


9. **ENCUMBRANCES**

- 9.1 The transfer and vesting of the assets comprised in the Business of the Transferor Company 1 to and in the Transferee Company 1 under Clause 8 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 9.2 All the existing securities, mortgages, charges, Encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company 1 after the Appointed Date, over the assets comprised in the Business of the Transferor Company 1 or any part thereof transferred to the Transferee Company 1 by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company 1, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company 1, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company 1.
- 9.3 The existing Encumbrances over the assets and properties of the Transferee Company 1 or any part thereof which relate to the liabilities and obligations of the Transferee Company 1 prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Business of the Transferor Company 1 transferred to and vested in the Transferee Company 1 by virtue of this Scheme.
- 9.4 It is expressly provided that, no other term or condition of the liabilities transferred to the Transferee Company 1 is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or to the extent guarantees are replaced or otherwise by necessary implication.
- 9.5 The provisions of this Clause 9 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

10. **LEGAL PROCEEDINGS**

- 10.1 All suits, actions and legal proceedings, if any, instituted and / or pending and / or



arising by or against any of the Transferor Company 1 shall be continued and / or enforced until the Effective Date as directed by the Transferee Company 1 and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company 1 as effectually and in the same manner and to the same extent as if the same had been instituted and / or were pending and / or arising by or against the Transferee Company 1.

10.2 On and from the Effective Date, the Transferee Company 1 may, if required initiate any legal proceedings in relation to the present and past business of the Transferor Company 1 in respect of third parties.

11. CONTRACTS, DEEDS, ETC.

11.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Transferor Company 1 to which the Transferor Company 1 is a party or to the benefit of which the Transferor Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company 1 and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company 1 had been a party or beneficiary or obligee thereto.

11.2 The Transferee Company 1 may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company 1 are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.

11.3 On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company 1 without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangement.



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12. **EMPLOYEES**

12.1 On the coming into effect of this Scheme, all employees, if any, of the Transferor Company 1 who are in employment of the Transferor Company 1, as on the Effective Date, shall become the employees of the Transferee Company 1 with effect from the Effective Date without any break or interruption in service and on terms and conditions no less favourable than those on which they were engaged by the Transferor Company 1 immediately preceding the Effective Date. The Transferee Company 1 undertakes to continue to abide by any agreement / settlement, if any, entered into by any of the Transferor Company 1 with any union / employee.

12.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the employees of the Transferor Company 1 shall become funds / trusts of the Transferee Company 1 for all purposes whatsoever in relation to the administration or operation of such funds / trusts in relation to the obligation to make contributions to the said funds / trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company 1 in relation to such funds / trusts shall become those of the Transferee Company 1. It is clarified that the services of the employees of the Transferor Company 1 will be treated as having been continuous for the purpose of the said funds / trusts and for computing any other employee benefits.

13. **CONSIDERATION**

13.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of Transferor Company 1 in the Transferee Company 1 pursuant to Part III of this Scheme 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, on a proportionate basis to each shareholder of the Transferor Company 1, whose name is recorded in the register of members as member of the Transferor Company 1 as on the Record Date 1, as follows:



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"6,23,41,667 (Six Crore Twenty Three Lakhs Forty One Thousand Six Hundred and Sixty Seven) fully paid up equity shares of the face value of INR 10 (Rupees Ten Only) each of Transferee Company 1 shall be issued and allotted as fully paid up equity shares to the equity shareholders of Transferor Company 1, in proportion to their holding of fully paid up equity shares of the face value of INR 10 (Rupees Ten Only) each in Transferor Company 1"

- 13.2 The equity shares to be issued and allotted pursuant to amalgamation of the Transferor Company 1 with the Transferee Company 1 under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company 1 and shall rank pari passu in all respects with any existing equity shares of the Transferee Company 1 after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Transferee Company 1.
- 13.3 The issue and allotment of the shares 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 1 or the Transferor Company 1 or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Transferee Company 1 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Transferee Company 1.
- 13.4 For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company 1 is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company 1, the Transferee Company 1 shall not issue fractional shares to such shareholder and shall instead round off such fractions to the nearest whole number.
- 13.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 1, the Board of the Transferee Company 1 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 1, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company 1, after the effectiveness of this Scheme.



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- 13.6 The shares to be issued pursuant to this Scheme in respect of any equity shares of the respective Transferor Company 1 which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.
- 13.7 The shares to be issued by the Transferee Company 1 in lieu of the shares of the Transferor Company 1 held in the respective unclaimed suspense account of the Transferor Company 1 shall be issued to a new unclaimed suspense account created for shareholders of the Transferor Company 1.
- 13.8 In the event, any or all of the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio stated in Clause 13.1 above shall be adjusted (including stock options) accordingly, to consider the effect of any such corporate actions undertaken by such Party.
- 13.9 If necessary, the Transferee Company 1 shall before allotment of the equity shares in term of the Scheme, increase, reclassify and/or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the rules issued thereunder.

14. ACCOUNTING TREATMENT

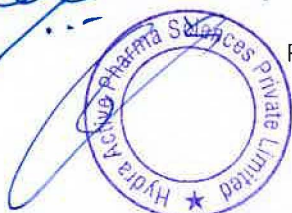
Upon the Scheme becoming effective and with effect from the Appointed Date, the amalgamation of the Transferor Company 1 with the Transferee Company 1 shall be accounted for in accordance with Appendix C (i.e. Business Combinations under Common Control) of the Indian Accounting Standard (Ind AS) 103 - "Business Combination" notified under Section 133 of the Act read with the applicable rules issued thereunder and as amended from time to time.

15. REDUCTION OF SHARE CAPITAL OF TRANSFEE COMPANY 1

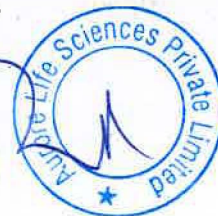
- 15.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the equity shares of the Transferee Company 1 held by the Transferor Company 1 shall, without any further application, act, instrument or deed, be automatically cancelled and be of no effect on and from the Appointed Date.



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15.2 The cancellation of equity share capital of the Transferee Company 1 shall be effected as an integral part of the Scheme and the order of the NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the capital reduction and no separate sanction under Section 66 of the Act will be necessary. Further, the consent / approval of the shareholders of the Transferee Company 1 to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of section 66 of the Act and no further compliance would be separately required. Notwithstanding the reduction of capital of the Transferee Company 1, the Transferee Company 1 shall not be required to add "and reduced" as suffix to its name.

16. INTER-SE TRANSACTIONS

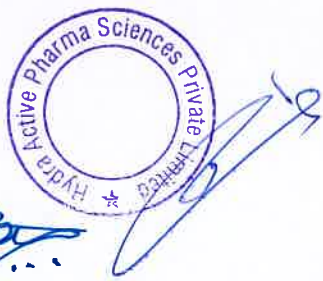
16.1 With effect from the Appointed Date, all inter-party transactions between the Transferor Company 1 and Transferee Company 1 shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed above clause has no impact.

16.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company 1, as the case maybe, and on its own account and therefore, the Transferee Company 1, as the case maybe, will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

Part IV – DEMERGER AND VESTING OF DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

17. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

17.1 Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the



Act, the Demerged Undertaking shall, without any further act, instrument or deed, be transferred to, and be vested in or be deemed to have been transferred to and vested in Resulting Company, as a going concern, so as to vest in the Resulting Company the assets, liabilities, contracts, arrangements, employees, permits, records, etc. of Resulting Company by virtue of operation of law and in the manner provided in this Scheme.

- 17.2 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to Resulting Company upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of Resulting Company without requiring any deed or instrument of conveyance for transfer of the same.
- 17.3 Subject to Clause 17.4 below, with respect to the assets of the Demerged Undertaking other than those referred to in Clause 17.2 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 and any other securities, 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 or the Transferor Company 1, the same 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 Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, Resulting Company will enter into novation agreements, if it is so required.
- 17.4 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, same shall stand transferred to and be vested in Resulting Company with effect from the Appointed Date, without any act or deed done by the Demerged Company or Resulting Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company shall be



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entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company.

- 17.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in India, whether owned or leased, for the purpose of, inter alia, payment of stamp duty and vesting in Resulting Company, if Resulting Company so decides, the Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favor of 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.
- 17.6 Upon the Scheme coming into effect and with effect from the Appointed Date, all rights entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relating to the Demerged Undertaking, to which either the Demerged Company is a party or to the benefit of which the Demerged Company may be / was eligible or entitled, shall become the rights, entitlement or property of Resulting Company and shall be enforceable by or against Resulting Company, as fully and effectually as if, instead of the Demerged Company, Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof.
- 17.7 Upon effectiveness of the Scheme,
- The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such persons, as the



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case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit relating to the Demerged Undertaking stands transferred to and vested in Resulting Company and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes.

- b. all liabilities relating to and comprised in the Demerged Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Demerged Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations of Demerged Undertaking, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, without any further act, instrument, deed, matter or thing.
- c. In so far as any Encumbrance in respect of liabilities is concerned, 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 which have been Encumbered in respect of the liabilities as transferred to Resulting Company pursuant to the Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to Resulting Company pursuant to this Scheme have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. 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.
- d. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business and Demerged Undertaking are concerned, the Encumbrance, if any, over such assets relating to the liabilities shall without any further act, instrument or deed being required, be released and the Demerged Company shall be discharged from the obligations and Encumbrances relating to the same.
- e. in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act,



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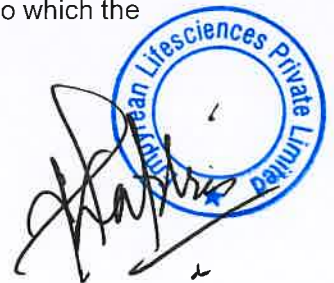


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instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

- f. If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax law or Applicable Law, Resulting Company shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking and be transferred to Resulting Company shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.
- g. Subject to Clause 35 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by Resulting Company, issue notices in such form as Resulting Company may deem fit and proper, stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- h. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company (or the Transferor Company 1) and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of Resulting Company and credited to the account of Resulting Company, if and when presented by Resulting Company.
- i. The Resulting Company shall at any time upon the Scheme coming into effect and in accordance with the provisions hereof, if so required under any Law or otherwise execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking to which the



Demerged Company (or the Transferor Company 1) has been a party, in order to give formal effect to the above provisions.

- j. Upon the Scheme coming into effect on the Effective Date and with effect from Appointed Date, in relation to the assets forming part of the Demerged Undertaking, if any, separate documents is required for vesting of such assets in the Resulting Company, or which the Demerged Company and/ or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- k. It is hereby clarified that if any assets of the Demerged Undertaking, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset in trust for the benefit of the Resulting Company.

18. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 18.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.
- 18.2 The Resulting Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements to which the Demerged Company(or the Transferor Company 1) is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 18.3 It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged



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Undertaking to which the Demerged Company (or the Transferor Company 1) is a party, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company.

- 18.4 Upon the Scheme coming into effect on the Effective Date and with effect from Appointed Date, all consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities and power of attorney given by, issued to or executed in favour of the Demerged Company (or the Transferor Company 1) in relation to the Demerged Undertaking, shall stand transferred to the Resulting Company in accordance with Applicable Laws, 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 thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Demerged Company (or the Transferor Company 1) in relation to the Demerged Undertaking are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company/ the Transferor Company 1, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Resulting Company.

19. **EMPLOYEES AND STAFF**

- 19.1 Upon the effectiveness of this Scheme and with effect from the Effective Date, Resulting Company undertakes to engage, without any interruption in service, all employees engaged in or in relation to the Demerged Undertaking, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company. Resulting Company undertakes to continue to abide by any agreement / settlement or arrangement entered into or deemed to have been entered into by the Demerged Company / Transferor Company 1 with any of the aforesaid employees or union representing them. Resulting Company agrees that the services of all such employees of the Demerged Company / Transferor Company 1 prior to the demerger



shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking shall be decided by the Board of Directors of Demerged Company, and such decision shall be final and binding on all concerned Parties.

- 19.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by Resulting company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.
- 19.3 With effect from the date of filing of the Scheme with the NCLT and up to and including the Effective Date, neither the Demerged Company nor the / Transferor Company shall vary the terms and conditions of employment of any of the employees pertaining to the Demerged Undertaking except in the ordinary course of business or without the prior consent of the Board of Directors of Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company / / Transferor Company 1 (as the case may be).

20. LEGAL PROCEEDINGS

- 20.1 Upon coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ("Proceedings") by or against the Demerged Company (including those by or against the Transferor Company 1) under any statute, pending on the Appointed Date, relating to the Demerged Undertaking, shall be continued and enforced by or against the Resulting Company after the Effective Date, to the extent legally permissible. To the extent such Proceedings cannot be taken over by the Resulting Company, the Proceedings shall be pursued by the Demerged Company as per the instructions of and entirely at the costs and expenses



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of the Resulting company. In the event that such liability is incurred or such claim or demand is made upon the Demerged Company pertaining to the Demerged Undertaking, then the Resulting Company shall reimburse and indemnify the Demerged Company for any payments made in relation to the same. The Demerged Company and the Resulting Company shall take appropriate steps in the respective court or forum of the Proceedings before which they are pending to appropriately substitute the name of the plaintiff, defendant, petitioner, respondent or other in the cause title respectively from that of the Demerged Company to the name of the Resulting Company, on due approval or sanction of such court or forum as appropriate.

- 20.2 Any Proceedings by or against the Demerged Company (including those by or against the Transferor Company 1) under any statute, pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company (including the Transferor Company 1) in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company. The Resulting Company shall in no event be responsible or liable for or in relation to any such Proceeding by or against the Demerged Company (including those by or against the Transferor Company 1).

21. CONSIDERATION

- 21.1 Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Demerged Undertaking of Demerged Company with the Resulting Company pursuant to this Scheme 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 each shareholder of the Demerged Company, whose name is recorded in the register of members as member of the Demerged Company as on the Record Date 2, as follows:

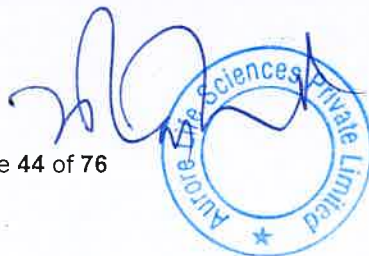
"1,122 (One Thousand One Hundred and Twenty-Two) fully paid up equity shares of INR 10 (Rupees Ten only) each of Resulting Company, credited as fully paid up, for every 10,000 (Ten Thousand) fully paid up equity shares of INR 10 (Rupees Ten only) each of the Demerged Company held by such shareholders."



- 21.2 The equity shares to be issued and allotted pursuant to the demerger of the Demerged Undertaking into the Resulting Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company and shall rank pari passu in all respects with any existing equity shares of the Resulting Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the shares of the Resulting Company .
- 21.3 The issue and allotment of the shares 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 the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Resulting Company.
- 21.4 Subject to Applicable Laws, the equity shares that are to be issued in terms of this Scheme shall be issued in dematerialized form. 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 in terms of this Scheme. The shareholders of the Demerged Company / Transferor Company 1 who hold shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Resulting Company, prior to the Record Date to enable it to issue the equity shares. However, if no such details have been provided to the Resulting Company by the shareholders holding shares in physical share certificates on or before the Record Date, the Resulting Company shall deal with the relevant equity shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialized form to a trustee nominated by the Board of Resulting Company ("Trustee of Resulting Company") who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of Resulting Company held by the Trustee of Resulting Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of Resulting



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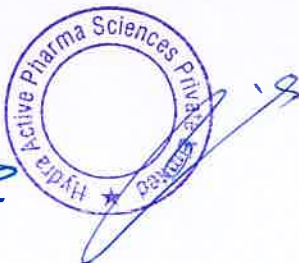
Company, along with such other documents as may be required by the Trustee of Resulting Company. The respective shareholders shall have all the rights of the shareholders of the Resulting Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the Trustee of Resulting Company. All costs and expenses incurred in this respect shall be borne by Resulting Company.

21.5 For the purpose of the allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Demerged Company is such that the shareholder becomes entitled to a fraction of a share of the Resulting Company, the Resulting Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Board of the Resulting Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders of the Demerged Company to whom they belong ("Record Date Shareholders") for the specific purpose of selling such shares in the market at such price or prices and at such time or times, within a period of 90 days from the date of allotment of shares, as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income-tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the nearest Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Resulting Company pertaining to the fractional entitlements. To the extent any Record Date Shareholder requires any consents, approvals or waivers (including any governmental approvals under applicable law) to receive such consideration, such shareholder shall be liable to procure the same prior to any distributions being made by the trustee.

21.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Resulting Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.



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- 21.7 The shares to be issued pursuant to this Scheme in respect of any equity shares of the respective Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.
- 21.8 The shares to be issued by the Resulting Company in lieu of the shares of the Demerged Company held in the respective unclaimed suspense account of the Demerged Company shall be issued to a new unclaimed suspense account created for shareholders of the Demerged Company.
- 21.9 In the event, any or all of the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio stated in Clause 21.1 above shall be adjusted (including stock options) accordingly, to consider the effect of any such corporate actions undertaken by such Party.
- 21.10 If necessary, the Resulting Company shall before allotment of the equity shares in term of the Scheme, increase, reclassify, and/or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 21.11 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to mean that the shareholders have also accorded all relevant consents under the Act for the issue and allotment of the equity shares under this Clause by the Resulting Company to each of the shareholders of the Demerged Company.
- 21.12 The Resulting Company shall apply for listing of the new equity shares of the Resulting Company on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The new equity shares allotted by the Resulting Company, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.
- 21.13 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges and SEBI Circular.

22. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY



22.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall be accounted for, in the books of the Demerged Company, in accordance with the generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

22.2 The book value of the assets, liabilities and reserves & surplus of the Demerged Company relating to the Demerged Undertaking being transferred to the Resulting Company shall be reduced from the book value of the assets, liabilities and reserves & surplus appearing in the books of accounts of the Demerged Company as on the Appointed Date.

22.3 The difference between the value of the net assets (i.e. difference between book value of assets and liabilities) and reserves & surplus of the Demerged Undertaking, as transferred to the Resulting Company shall be adjusted/ debited to retained earnings of the Demerged Company.

23. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

23.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall be accounted for, in the books of the Resulting Company, in accordance with Appendix C (i.e. Business Combinations under Common Control) of the Indian Accounting Standard (Ind AS) 103 - "Business Combination" notified under Section 133 of the Act and the applicable rules issued thereunder and as amended from time to time.

24. REDUCTION OF SECURITIES PREMIUM ACCOUNT IN THE BOOKS OF DEMERGED COMPANY



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The reduction in securities premium account of the Demerged Company shall be effected as an integral part of the Scheme, and where applicable, in accordance with the provisions of Section 66 of the Act and any other applicable provisions of the Act without any further act or deed on the part of the Demerged Company and without any approval or acknowledgment of any third party. The order of the Hon'ble NCLT sanctioning the Scheme shall be deemed to be the order passed by the Hon'ble NCLT under Section 66 of the Act for the purpose of confirming such reduction. It is expressly clarified that the consent of the shareholders and the creditors of the Demerged Company to the Scheme shall be deemed to be sufficient for the purpose of effecting the above reduction of the securities premium account of the Demerged Company and no further resolution under section 66 of the Act and any other applicable provisions of the Act would be required to be separately passed or taken.

25. RETAINED BUSINESS OF DEMERGED COMPANY

- 25.1 The Retained Business of the Demerged Company and all the assets, properties, rights, liabilities and obligations pertaining thereto, shall continue to belong to and be vested in and be managed by Demerged Company, and Resulting Company shall have no right, claim or obligation in relation to the Retained Business of Demerged Company.
- 25.2 All the legal, taxation and other proceedings whether civil or criminal (including before any statutory authority or quasi-judicial authority or tribunal) by or against Demerged Company under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in the future, whether or not in respect of any matter arising before the Effective Date and relating to the retained business of Demerged Company (including those relating to any property, right, power or liability, obligation or duty of Demerged Company in respect of the Retained Business of Demerged Company and any income tax liability) shall be continued and enforced by or against Demerged Company even after the Effective Date.
- 25.3 Up to and including the Effective Date
- a. Demerged Company and the / Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the



Retained Business of the Demerged Company / / Transferor Company 1 (respectively) for and on its own behalf.

- b. All profits accruing to the Remaining Business or losses arising or incurred to the Remaining Business (including the effect of taxes, if any, thereon) shall for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- c. All assets and properties acquired in relation to respective Retained Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

26. INTER-SE TRANSACTIONS

- 26.1 With effect from the Appointed Date, all inter-party transactions between the Demerged Company (in relation to the Demerged Undertaking) and Resulting Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed above clause has no impact.
- 26.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Resulting Company, as the case may be, and on its own account and therefore, the Resulting Company, as the case may be, will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

**Part V - AMALGAMATION (MERGER BY ABSORPTION) OF TRANSFEROR
COMPANY 2 WITH THE TRANSFEREE COMPANY 2**

**27. TRANSFER AND VESTING OF ASSETS AND LIABILITIES OF TRANSFEROR
COMPANY 2 WITH THE TRANSFEREE COMPANY 2**

- 27.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the whole of the Business of the Transferor Company 2 shall, pursuant to the sanction of this Scheme and pursuant to the applicable provisions of the Act and also in



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accordance with section 2(1B) of the IT Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company 2, each as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, on and from the Appointed Date, the Business of the Transferee Company 2 by virtue of and in the manner provided in this Scheme.

- 27.2 Upon Scheme becoming effective and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property of the Transferor Company 2, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company 2, without any act or deed done by the Transferee Company 2, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company 2 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company 2 by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Company 2 shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company 2.
- 27.3 Notwithstanding anything contained in this Scheme, the immovable properties of the Transferor Company 2 situated within different states, whether owned or leased, for the purpose of, inter alia, payment of stamp duty, and vesting into the Transferee Company 2 and if the Transferee Company 2 so decides, the parties, upon the Scheme becoming effective, shall execute or register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company 2 in respect of such immovable properties. Each of the immovable properties, only for the 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 the Scheme.
- 27.4 Without prejudice to the generality of the foregoing, upon the Scheme becoming effective and with effect from the Appointed Date, it is expressly provided that in respect



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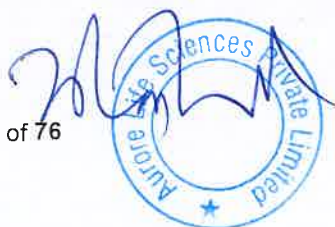
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of such of the assets of the Transferor Company 2 that are movable in nature and/or are otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Company 2 and shall become the property of the Transferee Company 2 in pursuance of the provisions of section 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.

- 27.5 Upon the Scheme becoming effective, in respect of movables other than those dealt with in Clause 27.4 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company 2 without any notice or other intimation to the debtors (although the Transferee Company 2 may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company 2).
- 27.6 Upon the Scheme becoming effective and with effect from the Appointed Date, all lease and licence agreements, if any, entered into by the Transferor Company 2 with landlords, owners and lessors in connection with the use of the assets of the Business of Transferor Company 2, together with security deposit, shall stand automatically transferred in favour of the Transferee Company 2 on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company 2 shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Company 2
- 27.7 Upon the Scheme becoming effective, and with effect from the Appointed Date all liabilities relating to and comprised in the Business of Transferor Company 2 including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company 2 of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business



activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company 2 under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.

- 27.8 Where any of the liabilities and obligations of the Transferor Company 2 as on the Appointed Date deemed to be transferred to the Transferee Company 2 have been discharged by the Transferor Company 2 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company 2, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company 2 after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company 2 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company 2 and shall become the liabilities and obligations of the Transferee Company 2 which shall meet, discharge and satisfy the same.
- 27.9 Upon the Scheme becoming effective and with effect from the Appointed Date, all staff, workmen and employees in relation to the Transferor Company 2 shall become the staff, workmen and employees of the Transferee Company 2, without any further act or deed to be done by the Transferor Company 2 or the Transferee Company 2.
- 27.10 Upon the Scheme becoming effective, the Transferee Company 2 shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company 2 is a party in order to give formal effect to the above provisions. The Transferee Company 2 shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company 2 to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company 2.
- 27.11 All taxes, duties, cess payable by the Transferor Company 2 including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company 2.
- 27.12 Upon the Scheme becoming effective, all the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred



upon or held or availed of by the Transferor Company 2 and all rights and benefits that have accrued or which may accrue to the Transferor Company 2, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company 2 so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company 2 and shall remain valid, effective and enforceable on the same terms and conditions.

27.13 Upon the Scheme becoming effective, all the brands and trademarks (including logo and right to use the trademarks) of the Transferor Company 2 including registered and unregistered trademarks, along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to and vest in the Transferee Company 2. The Transferee Company 2 shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Transferee Company 2.

27.14 Upon the Scheme becoming effective, all the insurance policies registered in the name of the Transferor Company 2 which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company 2 and accordingly, the insurance companies shall record the name of the Transferee Company 2 in all the insurance policies registered in the name of the Transferor Company 2 so as to ensure that all the rights and privileges under all such policies available to the Transferor Company 2 and / or to any other person/director/employee of such Transferor Company 2, whether in the capacity of the policy holder or owner or insured or the beneficiary, as the case may be, be available to the benefit of the Transferee Company 2 and / or to any other person/director/employee of Transferee Company 2, as the case may be, on the same terms and conditions as they were applicable to the Transferor Company 2 concerned and upon such transfer/assignment, all such policies shall be



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effective in favour of the Transferee Company 2 as if instead of the Transferor Company 2, the Transferee Company 2 had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company 2 may make fresh application(s) to the concerned authority/insurance company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and/or expenses and/or premiums in relation to the transfer/assignment/of the insurance policies in the name of Transferor Company 2 shall be borne by the Transferee Company 2 and the Transferor Company 2 shall have no further obligations in this regard.

- 27.15 Upon the Scheme becoming effective and with effect from the Appointed Date, all existing and future incentives, unavailed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternate Tax credit under section 115JAA of the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, Goods and Services Tax including the Integrated Goods and Services Tax input tax credit, Central Goods and Services Tax input tax credit and State Goods and Services Tax input tax credit for the registrations of the Transferor Company 2 in all the states, to which the Transferor Company 2 are entitled to shall be available to and vest in the Transferee Company 2.
- 27.16 The Transferee Company 2 shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company 2.

28. ENCUMBRANCES

- 28.1 The transfer and vesting of the assets comprised in the Business of the Transferor Company 2 to and in the Transferee Company 2 under Clause 27 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 28.2 All the existing securities, mortgages, charges, Encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company 2 after the Appointed Date, over the assets comprised in the Business of the Transferor Company 2 or any part

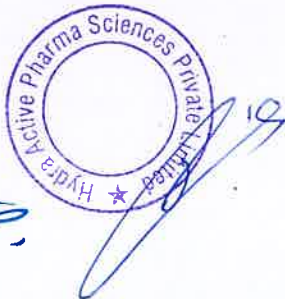


thereof transferred to the Transferee Company 2 by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company 2, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company 2, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company 2.

- 28.3 The existing Encumbrances over the assets and properties of the Transferee Company 2 or any part thereof which relate to the liabilities and obligations of the Transferee Company 2 prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company 2 transferred to and vested in the Transferee Company 2 by virtue of this Scheme.
- 28.4 It is expressly provided that, no other term or condition of the liabilities transferred to the Transferee Company 2 is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or to the extent guarantees are replaced or otherwise by necessary implication.
- 28.5 The provisions of this Clause 28 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

29. LEGAL PROCEEDINGS

- 29.1 All suits, actions and legal proceedings, if any, instituted and / or pending and / or arising by or against any of the Transferor Company 2 shall be continued and / or enforced until the Effective Date as directed by the Transferee Company 2 and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company 2 as effectually and in the same manner and to the same extent as if the same had been instituted and / or were pending and / or arising by or against the Transferee Company 2.
- 29.2 On and from the Effective Date, the Transferee Company 2 may, if required initiate any legal proceedings in relation to the present and past business of the Transferor Company 2 in respect of third parties.



30. **CONTRACTS, DEEDS, ETC.**

- 30.1 Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Transferor Company 2 to which the Transferor Company 2 is a party or to the benefit of which the Transferor Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company 2 and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company 2 had been a party or beneficiary or obligee thereto.
- 30.2 The Transferee Company 2 may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company 2 are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 30.3 On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company 2 without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangement.

31. **EMPLOYEES**

- 31.1 On the coming into effect of this Scheme, all employees, if any, of the Transferor Company 2 who are in employment of the Transferor Company 2, as on the Effective Date, shall become the employees of the Transferee Company 2 with effect from the Effective Date without any break or interruption in service and on terms and conditions no less favourable than those on which they were engaged by the Transferor Company 2 immediately preceding the Effective Date. The Transferee Company 2 undertakes to



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continue to abide by any agreement / settlement, if any, entered into by any of the Transferor Company 2 with any union / employee.

- 31.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the employees of the Transferor Company 2 shall become funds / trusts of the Transferee Company 2 for all purposes whatsoever in relation to the administration or operation of such funds / trusts in relation to the obligation to make contributions to the said funds / trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company 2 in relation to such funds / trusts shall become those of the Transferee Company 2. It is clarified that the services of the employees of the Transferor Company 2 will be treated as having been continuous for the purpose of the said funds / trusts and for computing any other employee benefits.

32. **CONSIDERATION FOR AMALGAMATION OF TRANSFEROR COMPANY 2 WITH THE TRANSFEE COMPANY 2**

Pursuant to the demerger of Demerged Undertaking of the Demerged Company into Transferee Company 2 in terms of Part IV of the Scheme and upon the Scheme becoming effective, the entire issued, subscribed and paid-up share capital of the Transferor Company 2 will be held by Transferee Company 2. There shall be no issue of shares as consideration for amalgamation of the Transferor Company 2 with the Transferee Company 2. Upon the Scheme becoming effective, all shares of the Transferor Company 2 held by the Transferee Company 2 along with its nominees, shall stand cancelled without any further application, act or deed.

33. **ACCOUNTING TREATMENT**

Upon the Scheme becoming effective and with effect from the Appointed Date, the amalgamation of the Transferor Company 2 with the Transferee Company 2 shall be accounted for in accordance with Appendix C (i.e. Business Combination under Common Control) of the Indian Accounting Standard (Ind AS) 103 - "Business



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Combination” notified under Section 133 of the Act read with the applicable rules issued thereunder and as amended from time to time.

34. INTER-SE TRANSACTIONS

- 34.1 With effect from the Appointed Date, all inter-party transactions between the Transferor Company 2 and the Transferee Company 2 shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed above clause has no impact.
- 34.2 Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company 2, as the case maybe, and on its own account and therefore, the Transferee Company 2, as the case maybe, will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

PART VI - GENERAL TERMS AND CONDITIONS

35. COMPLIANCE WITH TAX LAWS

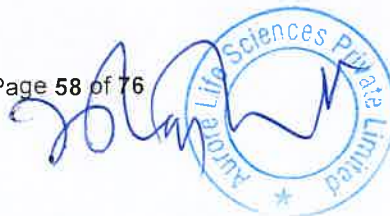
- 35.1 On or after the Effective Date, the Transferee Company 1 and Transferee Company 2 is expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Service Tax law, VAT law, Goods and Service Tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit) and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective.
- 35.2 All tax assessment proceedings / appeals (including application and proceedings in



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relation to advance ruling) of whatsoever nature by or against the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2, pending and / or arising at the Appointed Date and relating to the Transferor Company 1, Demerged Company (relating to Demerged Undertaking) and Transferor Company 2, shall be continued and / or enforced until the Effective Date as desired by the Transferee Company 1/Transferee Company 2, as the case maybe. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company 1/Transferee Company 2, as the case maybe, in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2.

35.3 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of the Transferor Company 1 with Transferee Company 1, demerger and vesting of Demerged Undertaking of Demerged Company into Resulting Company and amalgamation of the Transferor Company 2 with Transferee Company 2 or anything contained in the Scheme.

35.4 Any tax liabilities including but not limited to liabilities under the IT Act, Foreign Tax Credit, Tax Treaties, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other Applicable Laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company 1/Transferee Company 2, as the case maybe.

35.5 Any refund including but not limited to refund under the IT Act, Foreign Taxes, Customs Act 1962, Service Tax laws, Value Added Tax laws, Goods and Service Tax laws or other Applicable Laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 and due to the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 consequent to the assessment made on the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the



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Transferee Company 1/Transferee Company 2, as the case maybe.

- 35.6 All taxes including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc. paid or payable by the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 in respect of their operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 in respect of their profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 35.7 Further, any tax deducted at source by the Transferor Company 1 / Transferee Company 1 on payables to the Transferor Company 1/Transferee Company 1 on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company 1 and shall, in all proceedings, be dealt with accordingly. Any tax deducted at source by the Demerged Company/Resulting Company on payables to the Demerged Company/Resulting Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly. Any tax deducted at source by the Transferor Company 2/ Transferee Company 2 on payables to the Transferor Company 2/ Transferee Company 2 on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company 2 and shall, in all proceedings, be dealt with accordingly.
- 35.8 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 including but not limited to obligation under the IT Act, Service Tax laws, Customs law, Goods and Service tax law or other Applicable Laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company 1/Transferee Company 2, as the case maybe.



35.9 Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, cenvat credit, goods and service tax credit, etc.) to which the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 is entitled, shall be available to and vest in the Transferee Company 1/Transferee Company 2, as the case maybe, if eligible as per the provisions of the IT Act on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the Transferee Company 1/ Transferee Company 2, will be entitled to avail Cenvat Credit / Goods and Service Tax Credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and/or Transferor Company 2, as the case maybe. Further, licenses issued to the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 by any regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Transferee Company 1/Transferee Company 2, as the case maybe, upon the Scheme becoming effective.

36. **CONDUCT OF BUSINESS UNTIL AND AFTER THE EFFECTIVE DATE**

In respect of Transferor Company 1 and Transferor Company 2

36.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company 1 and Transferor Company 2 shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business for and on account of and in trust for the Transferee Company 1 and Transferee Company 2 respectively:

36.1.1 Carry on the business, in either name as the circumstances may be, for those unfinished or incomplete business, contracts, transactions which may be necessary to be transacted and completed;

36.1.2 All the profits or income accruing or arising to the Transferor Company 1 and



- Transferor Company 2 or expenditure or losses incurred by the Transferor Company 1 and Transferor Company 2 shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Transferee Company 1 and Transferee Company 2 respectively; and
- 36.1.3 The Transferor Company 1 and Transferor Company 2 shall carry on its business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company 1 and Transferee Company 2 respectively.
- 36.1.4 All taxes (including income tax, MAT, GST, Customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company 1 and Transferor Company 2 in respect of the operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company 1 and Transferor Company 2 respectively and, insofar as it relates to the tax payment (Including, without limitation, income tax, MAT, GST, Customs duty, service tax, VAT, etc.) whether by way of deduction at source, advance tax or otherwise however, by the Transferor Company 1 and Transferor Company 2 respectively in respect of the profits or activities or operations of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company 1 and Transferee Company 2 respectively and shall, in all proceedings, be dealt with accordingly.
- 36.1.5 Any of the rights, powers, authorities or privileges attached, related or forming part of the Business of the Transferor Company 1 and Transferor Company 2 and exercised by Transferor Company 1 and Transferor Company 2 respectively shall be deemed to have been exercised by the Transferor Company 1 and Transferor Company 2 respectively, for and on behalf of, and in trust for and as an agent of Transferee Company 1 and Transferee Company 2 respectively. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Business of the Transferor Company 1 and Transferor Company 2 that have been undertaken or discharged by the Transferor Company 1 and Transferor Company 2 respectively shall be deemed to have been undertaken/ discharged for and on behalf of the Transferee Company 1 and Transferee Company 2 respectively.



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36.2 The Transferee Company 1 and Transferee Company 2 shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company 1 and Transferee Company 2 may require to carry on the business of the Transferor Company 1 and Transferor Company 2 respectively.

36.3 For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follow:

36.3.1 With effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company 1 and Transferor Company 2 has been replaced with that of the Transferee Company 1 and Transferee Company 2 respectively, the Transferee Company 1 and Transferee Company 2 shall be entitled to operate the bank accounts of the Transferor Company 1 and Transferor Company 2 in the name of the Transferor Company 1 and Transferor Company 2 respectively in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company 1 and Transferor Company 2 after the Effective Date shall be accepted by the bankers of the Transferee Company 1 and Transferee Company 2 and credited to the account of the Transferee Company 1 and Transferee Company 2 respectively, if presented by the Transferee Company 1 and Transferee Company 2. Similarly, till the time any regulatory registrations of the Transferor Company 1 and Transferor Company 2 are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company 1 and Transferee Company 2 respectively shall be entitled to do so to comply with the relevant regulations.

36.3.2 With effect from the Effective Date, the Transferee Company 1 and Transferee Company 2 shall be entitled to use all packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Transferor Company 1 and Transferor Company 2 respectively or its vendors, suppliers or third party or in their supply chain or distribution channel and which the Transferor Company 1 and Transferor Company 2 is entitled to use under



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any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.

36.3.3 With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of product, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company 1 and Transferor Company 2 is transferred, recorded, effected and/or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favor of Transferee Company 1 and Transferee Company 2 respectively, the Transferee Company 1 and Transferee Company 2 shall carry on and be deemed to have been carrying on all the business and activities of Transferor Company 1 and Transferor Company 2 in the name and style of the Transferor Company 1 and Transferor Company 2 respectively and under the relevant licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company 1 and Transferor Company 2 respectively. Further, during such period, Transferee Company 1 and Transferee Company 2 can procure or use or manufacture, all material and product including packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. in the name and form/format of the Transferor Company 1 and Transferor Company 2 respectively.

In respect of Demerged Company

36.4 With effect from the Appointed Date and upto and including the Effective Date, the Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its business relating to the Demerged Undertaking for and on account of and in trust for the Resulting Company:

36.4.1 Carry on the business of the Demerged Undertaking, in either name as the circumstances may be, for those unfinished or incomplete business, contracts, transactions which may be necessary to be transacted and completed;

36.4.2 All the profits or income accruing or arising to the Demerged Company or



expenditure or losses incurred by the Demerged Company relating to the Demerged Undertaking shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Resulting Company; and

36.4.3 The Demerged Company shall carry on its business and activities relating to the Demerged Undertaking with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof relating to the Demerged Undertaking except in the ordinary course of business without the prior consent of the Resulting Company.

36.4.4 All taxes (including income tax, MAT, GST, Customs duty, service tax, VAT, etc.) paid or payable by the Demerged Company in respect of the operations and / or the profits of the business relating to the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (Including, without limitation, income tax, MAT, GST, Customs duty, service tax, VAT, etc.) whether by way of deduction at source, advance tax or otherwise however, by the Demerged Company in respect of the profits or activities or operations of its business relating to the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

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

36.5 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Demerged Company may require to carry on the business relating to the



Demerged Undertaking.

36.6 For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follow:

36.6.1 With effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company (relating to the Demerged Undertaking) has been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company (relating to the Demerged Undertaking) in the name of the Resulting Company in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company (relating to the Demerged Undertaking) after the Effective Date 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. Similarly, till the time any regulatory registrations of the Demerged Company (relating to the Demerged Undertaking) are closed / suspended and regulatory filings are required to be done on such registrations, the Resulting Company shall be entitled to do so to comply with the relevant regulations.

36.6.2 With effect from the Effective Date, the Resulting Company shall be entitled to use all packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Demerged Company (relating to the Demerged Undertaking) or its vendors, suppliers or third party or in their supply chain or distribution channel and which the Demerged Company is entitled to use under any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.

With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of product, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Demerged Company (relating to the Demerged Undertaking) is transferred, recorded, effected and/or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favour of Resulting Company, the Resulting Company shall carry on and be deemed to



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have been carrying on all the business and activities of the Demerged Undertaking in the name and style of the Demerged Undertaking as carried on by the Demerged Company and under the relevant licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Demerged Company. Further, during such period, Resulting Company can procure or use or manufacture, all material and product including packed/ labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. in the name and form/format of the Demerged Company.

37. VALIDITY OF RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or shareholders of the Transferor Company 1, Demerged Company (relating to the Demerged Undertaking) and Transferor Company 2 as are considered necessary by the Board of Directors of the Transferee Company 1/Transferee Company 2, as the case maybe, and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company 1/ Transferee Company 2, as the case maybe, and if any such resolutions have monetary limits approved under the provisions of the Act, or any other applicable statutory provisions , then the said limits as are considered necessary by the Board of Directors of the Transferee Company 1/ Transferee Company 2, as the case maybe, shall be added to the limits if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company 1/Transferee Company 2, as the case maybe, and shall constitute the aggregate of the said limits in the Transferee Company 1/Transferee Company 2, as the case maybe.

38. COMBINATION/TRANSFER OF AUTHORISED SHARE CAPITAL

Combination of Authorized Share Capital of Transferor Company 1 with Transferee Company 1



- 38.1 Upon the Scheme becoming effective, the authorised share capital of the Transferor Company 1 shall stand transferred, re-organised, reclassified, credited and merged with that of the Transferee Company 1 and the authorised share capital of the Transferee Company 1 will be increased to that effect by filing requisite forms and payment of any additional fees and stamp duty, if any, and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company 1 shall without any further act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and other applicable provisions of the Act.
- 38.2 Accordingly, the words and figures in Clause 5 of the Memorandum of Association of the Transferee Company 1 shall stand modified and be substituted to read as follows:
"The Authorized Share Capital of the Company is INR 3,20,00,00,000/- (Rupees Three Hundred and Twenty Crores Only) divided into 27,97,01,200 (Twenty Seven Crores Ninety Seven Lakhs One Thousand and Two Hundred) equity shares of INR 10/- (Rupees Ten only) each, 1,00,000 (One Lakh) Optionally Convertible Redeemable Preference Shares of INR 1000 (Rupees Thousand Only) each, 27,00,000 (Twenty Seven Lakhs) Compulsory Convertible Preference Shares of INR.10/ (Rupees Ten each) and 2,75,988 (Two Lakhs Seventy Five Thousand Nine Hundred and Eighty Eight) Redeemable Preference Shares of INR 1000 (Rupees Thousand Only) each with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being provided for by these presents and the Articles of Association of the Company
- 38.3 The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Sections 13, 61 and other applicable provisions of the Companies Act, 2013, and any other consents and approvals required in this regard. It is clarified that the approval of the members of the Transferee Company 1 to the Scheme shall be deemed to be their consent approval also to the alteration to the Memorandum of Association of the Transferee Company 1 as may be required under the Act.



Transfer of Authorized Share Capital from Demerged Company into Resulting Company

38.4 Upon the Scheme becoming effective and post the combination of authorized share capital of Transferor Company 1 with Transferee Company 1/Demerged Company as per Clause 38.1, the authorised share capital of the Demerged Company to the extent of INR 1,50,00,00,000/- (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) equity shares of INR 10/- (Rupees Ten only) each shall stand transferred, re-organised, reclassified, credited and merged with that of the Resulting Company and the authorised share capital of the Resulting Company will be increased to that effect by filing requisite forms and payment of any additional fees and stamp duty, if any, and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the and Demerged Company and the Resulting Company shall without any further act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and other applicable provisions of the Act.

38.5 Accordingly, the words and figures in Clause 5 of the Memorandum of Association of the Demerged Company shall stand modified and be substituted to read as follows:

"The Authorized Share Capital of the Company is INR 170,00,00,000/- (Rupees One Hundred and Seventy Crores Only) divided into 12,97,01,200 (Twelve Crores Ninety Seven Lakhs One Thousand and Two Hundred) equity shares of INR 10/- (Rupees Ten only) each, 1,00,000 (One Lakh) Optionally Convertible Redeemable Preference Shares of INR 1000 (Rupees Thousand Only) each, 27,00,000 (Twenty Seven Lakhs) Compulsory Convertible Preference Shares of INR.10/ (Rupees Ten each) and 2,75,988 (Two Lakhs Seventy Five Thousand Nine Hundred and Eighty Eight) Redeemable Preference Shares of INR 1000 (Rupees Thousand Only) each with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided



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for by these presents and the Articles of Association of the Company

38.6 Accordingly, the words and figures in Clause 5 of the Memorandum of Association of the Resulting Company shall stand modified and be substituted to read as follows:

"The Authorized Share Capital of the Company is INR 270,00,00,000/- (Rupees Two Hundred and Seventy Crores Only) divided into 27,00,00,000 (Twenty Seven Crores) equity shares of INR 10/- (Rupees Ten only) each with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by these presents and the Articles of Association of the Company

38.7 The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Sections 13, 61 and other applicable provisions of the Companies Act, 2013, and any other consents and approvals required in this regard. It is clarified that the approval of the members of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent approval also to the alteration to the Memorandum of Association of the Demerged Company and the Resulting Company as may be required under the Act.

Combination of Authorized Share Capital of Transferor Company 2 with Transferee Company 2

38.8 Upon the Scheme becoming effective and post the combination of authorized share capital of Demerged Company with Resulting Company/Transferee Company 2 as per Clause 38.4, the authorised share capital of the Transferor Company 2 shall stand transferred, re-organised, reclassified, credited and merged with that of the Transferee Company 2 and the authorised share capital of the Transferee Company 2 will be increased to that effect by filing requisite forms and payment of any additional fees and stamp duty, if any and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company 2 shall without any further act, instrument or deed be and stand altered, modified and



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amended pursuant to Sections 13, 61 and other applicable provisions of the Act.

38.9 Accordingly, the words and figures in Clause 5 of the Memorandum of Association of the Transferee Company 2 shall stand modified and be substituted to read as follows:
"The Authorized Share Capital of the Company is INR 270,50,00,000/- (Rupees Two Hundred and Seventy Crores and Fifty Lakhs Only) divided into 27,05,00,000 (Twenty Seven Crores and Five Lakhs) equity shares of INR 10/- (Rupees Ten only) each with power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by these presents and the Articles of Association of the Company

38.10 The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Sections 13, 61 and other applicable provisions of the Companies Act, 2013, and any other consents and approvals required in this regard. It is clarified that the approval of the members of the Transferee Company 2 to the Scheme shall be deemed to be their consent approval also to the alteration to the Memorandum of Association of the Transferee Company 2 as may be required under the Act.

39. DIVIDENDS

39.1 The Companies shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.

39.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Companies, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Transferor Company 1, Transferor Company 2, Transferee Company 1 or Transferee Company 2, as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company 1, Transferor Company 2, Transferee Company 1 or Transferee Company 2, as the case



may be.

40. APPLICATION TO THE TRIBUNAL

The Companies, with all reasonable dispatch, shall make necessary applications / petitions jointly and / or severally before the Tribunal for the sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act.

41. MODIFICATIONS / AMENDMENTS TO THE SCHEME

The Companies, through their respective Board of Directors, may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or the Board, including the withdrawal of this Scheme or part thereof. The Board of Directors of the Companies shall take all such steps as may be necessary, desirable, or proper to resolve any doubts, difficulties or questions, including interpretation of the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith. The power of the Boards of Directors to modify / amend the Scheme shall be subject to the approval of the Tribunal.

42. WINDING-UP OF THE TRANSFEROR COMPANY 1 AND TRANSFEROR COMPANY 2

On the Scheme becoming effective, the Transferor Company 1 and Transferor Company 2 shall stand dissolved without winding up and the Board and any committees thereof of the Transferor Company 1 and Transferor Company 2 shall without any further act, instrument or deed be and stand discharged. On and from the Effective Date, the name of the Transferor Company 1 and Transferor Company 2 shall be struck off from the records of the concerned Registrar of Companies.

43. SAVING OF CONCLUDED TRANSACTIONS



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The amalgamation of the Transferor Company 1 with the Transferee Company 1, demerger and vesting of Demerged Undertaking of Demerged Company into Resulting Company and amalgamation of the Transferor Company 2 with the Transferee Company 2, pursuant to this Scheme, shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Transferor Company 1, the Demerged Company (relating to the Demerged Undertaking) and the Transferor Company 2 on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company 1/Transferee Company 2, as the case maybe, shall accept and adopt all acts, deeds and things made, done and executed by the Transferor Company 1, the Demerged Company (relating to the Demerged Undertaking) and the Transferor Company 2 as acts, deeds and things made, done and executed by or on behalf of the Transferee Company 1/Transferee Company 2, as the case maybe.

44. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

44.1 The Scheme is conditional upon and subject to:

44.1.1 the approval of the Scheme by the requisite majority of the respective members and creditors and such class of persons of the Transferor Company 1, Transferor Company 2, Transferee Company 1 and the Transferee Company 2, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Appropriate Authority in this respect;

44.1.2 the approval of the shareholders of the Transferee Company 2 through e-voting and / or other mode as may be required under any Applicable Law and the SEBI circular. The scheme is conditional upon scheme being approved by the public shareholders of the Transferee Company 2 through e-voting in terms of para 10(a) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if vote cast by the public shareholders of the Transferee Company 2 in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company 2 against it.

44.1.3 the sanction of the Appropriate Authority, being obtained under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable



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provisions of the Act, if so required on behalf of the Companies.

- 44.1.4 the necessary certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies;
- 44.1.5 approval of Appropriate Authorities (including Securities and Exchange Board of India) and receipt of 'No-Objection letter' from Stock Exchange where such approval or consent is necessary; and
- 44.1.6 all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

45. EFFECT OF NON-RECEIPT OF APPROVALS

- 45.1 In the event of any of the said sanctions and approvals referred to in Clause 44 above not being obtained (or to the extent permissible under Applicable Law, waived) and / or the Scheme not being sanctioned by the Tribunal or such other competent authority / Appropriate Authorities and/ or the sanction order(s) not being passed by the NCLT as aforesaid before 31st December 2022 ("Long Stop Date") or such other date as may be agreed upon in writing between the Companies, and by their respective Board of Directors, any of the Companies may opt to terminate this Scheme and the Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- 45.2 The Board of Directors of the Companies shall be entitled to withdraw this Scheme prior to the Effective Date.
- 45.3 Upon the termination of this Scheme as set out in Clause 45.1 and 45.2 above, no rights and liabilities shall accrue to or be incurred by respective Companies or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs and expenses or as may be otherwise mutually agreed.
- 45.4 The Board of Directors of the Companies, shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the



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combined entity post the amalgamation.

- 45.5 If any part of this Scheme hereof is invalid, ruled illegal by any Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Companies, then in such case the Companies, shall attempt to bring about a modification in the Scheme, as will best preserve, for the Companies, , the benefits and obligations of the Scheme, including but not limited to such part.

46. **COSTS**

All costs, charges, levies and expenses of the Companies, in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Transferee Company 1 and Transferee Company 2, unless otherwise determined by the Boards of Directors of the Companies. Provided however that all stamp duty, registration charges and other transfer charges in relation to the Scheme and the matters contemplated herein shall be borne and paid by the Transferee Company 1 and Transferee Company 2.

47. **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 Business of the Transferor Company 1, Demerged Undertaking of the Demerged Company and the Business of the Transferor Company 2 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 1/Transferee Company 2, as the case maybe, such 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 and till such time as may be mutually agreed by the relevant Parties, the Transferor Company 1, Demerged Company and the Transferor Company



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2 will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Transferee Company 1/Transferee Company 2, as the case maybe.

48. SEVERABILITY

- 48.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferee Company 1/Transferee Company 2, affect the validity or implementation of the other parts and/or provisions of this Scheme.
- 48.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

49. REMOVAL OF DIFFICULTIES

- 49.1 The Companies, through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

50. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on all the Companies, Appropriate Authority and all concerned parties without any further act, deed, matter or thing.



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