

SCHEME OF ARRANGEMENT

BETWEEN

PRAKASH CONSTROWELL LIMITED

AND

BHUMIT REAL ESTATE PRIVATE LIMITED

AND

THEIRS RESPECTIVE MEMBERS AND CREDITORS

(Under Sections 230 to 233 and provisions of the Companies Act, 2013, to the extent applicable)

This **SCHEME OF ARRANGEMENT** is presented:

1. PREAMBLE

- 1.1. This Scheme of Arrangement provides for demerger and vesting of the Demerged Undertaking (as defined hereinafter below) of **Prakash Constrowell Limited** (hereinafter referred to as **the "Demerged Company"**) with **Bhumit Real Estate Private Limited** (hereinafter referred to as **the "Resulting Company"**) pursuant to sections 230 to 233 of the Companies Act, 2013 and other applicable provisions of the Act and such other applicable provisions as may be notified from time to time (as defined hereinafter).
- 1.2. The Demerged Company was incorporated on January 04, 1996 in the name and style of "Prakash Constrowell Private Limited" as per the certificate of Incorporation issued by the Registrar of Companies Maharashtra and then afresh Certificate of Incorporation upon deletion of word "Private" was issued by Registrar of Companies Maharashtra, Mumbai under Section 31/21 read with Section 44 under the provisions of Companies Act, 1956 and presently its registered office is located at The Exchange, Near Ved Mandir, Tidke Colony, Trimbak Road, Nashik - 422002. The Demerged Company's Registration Number is 095941 and Corporate Identification Number is L45200MH1996PLC095941. The shares of the Demerged Company are listed on Bombay Stock Exchange Limited and on National Stock Exchange of India Limited.
- 1.3. The Resulting Company was incorporated on June 06, 2015 under the provisions of the Companies Act, 2013. The Registered office of Resulting Company is located at D316, Neelkanth Business Park, Vidyavihar Station Road, Mumbai its Corporate Identification Number is U70102MH2015PTC265231 and Registration Number is 265231. The shares of the Resulting Company are not listed on any stock exchanges.
- 1.4. The Demerged Company is predominantly engaged in the business of infrastructure development and civil construction and provides integrated engineering, procurement and construction services. It also undertakes projects for various government / semi-government bodies and other private sector clients.
- 1.5. The Resulting Company is engaged in business Real Estate i.e. builders, developers, infrastructural development, to buy, acquire, develop, lease and manage property.



- 1.6. The Demerged Company is the Holding Company of the Resulting Company and the Resulting Company is the Wholly-owned Subsidiary Company of the Demerged Company.

2. RATIONALE FOR THE SCHEME OF ARRANGEMENT

- 2.1. Each of the varied businesses carried on by Demerged Company including Demerged Undertaking have potential for growth and profitability. The nature of risk and competition involved in these businesses is distinct from other and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be handled and managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater/enhanced focus to the operation of the said businesses, the Demerged Company proposes to re-organize and segregate by way of a demerger its Demerged Undertaking.
- 2.2. The demerger would enable greater/enhanced focus of management in these businesses thereby facilitating the management to efficiently exploit opportunities for each of these businesses.
- 2.3. It is believed that the proposed segregation will create enhanced value for shareholders and allow a focus strategy in operations, which would be in the best interest of all the stakeholders and the persons connected. The demerger proposed by this Scheme will enable investors to hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles.
- 2.4. The demerger will also provide scope for independent collaboration and expansion with an intention to ensure better operational management and focus on accelerated growth of remaining undertakings.
- 2.5. The transfer and vesting of the demerged undertaking of the demerged company to the resulting company through this scheme is with a view to unlock the economic value of both the companies.

The Boards of Demerged Company as well as Resulting Company believes that this demerger will contribute to smooth integration of relevant undertakings of both the companies and would benefit the shareholders, employees and other stakeholders of the Demerged Company and the Resulting Company. With the aforesaid objectives, it is proposed to demerge the Demerged Undertaking (as defined hereinafter below) of the Demerged Company to the Resulting Company comprising of the following:

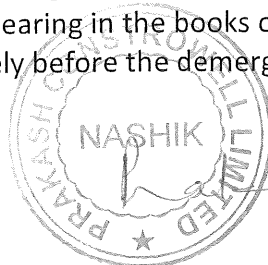


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- a. The Scheme involves the issuance to the shareholders of Demerged Company, 1 new share in the Resulting Company for every 4 shares held in the Demerged Company.
- b. As the nature of the two businesses is different and so being the inherent risk profile, the Resulting Company will have a different investor and borrowing profile as compared to the existing business of the Demerged Company.

3. OPERATION OF THE SCHEME

- 3.1 It is, therefore, proposed that Demerged Undertaking of the Demerged Company be demerged as a going concern, pursuant to a Scheme of Arrangement under Sections 230 to 233 of the Companies Act, 2013 to the Resulting Company. This is considered necessary for accelerating the sustained long term growth, profitability, market share and customer service and to better face the competitive regulatory environment, risks and policies through independent focus and attention to each of these businesses and bring accountability. The Demerged Company will continue its interests in the Remaining Undertaking as is presently being carried out but with greater focus, attention to the growth opportunities, and the regulatory requirements, risks, etc. specific to its business.
- 3.2 In furtherance of the aforesaid, this Scheme of Arrangement provides for:
 - i. the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company;
 - ii. various other matters consequential or otherwise integrally connected herewith, including the reorganization of the capital and/or reserves of the Demerged Company and the Resulting Company.
- 3.3 The demerger of the Demerged Undertaking under this Scheme of Arrangement will be effected under the provisions of Sections 230 to 233 of the Companies Act, 2013.
- 3.4 The demerger complies with the provisions of the Indian Income Tax Act, 1961, such that:
 - (i) All the Assets of the Demerged Undertaking being transferred by the Demerged Company immediately before the demerger become the properties of the Resulting Company by virtue of the demerger;
 - (ii) All the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company, immediately before the demerger become the liabilities of the Resulting Company by virtue of the demerger;
 - (iii) The assets and the liabilities, of the Demerged Undertaking being transferred by the Demerged Company are transferred to the Resulting Company at the values appearing in the books of account of the aforesaid Demerged Company immediately before the demerger; and



- (iv) The transfer of the Demerged Undertaking will be on a going concern basis.
- (v) The resulting company shall issue, in consideration of the demerged undertaking, its equity shares to the shareholders of the demerged company as on record date as per share entitlement ratio; and
- (vi) All the shareholders of the demerged company as on record date shall become the shareholder of the resulting company by virtue of demerger.

3.5 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961.

4. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context the following expression shall have the following meaning:

"Act" means the Companies Act, 2013 as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Boards of Directors of the Demerged Company and the Resulting Company, Sections 230 to 233 of the Companies Act, 2013 have been notified. Accordingly, references in the Scheme to particular provisions of the Act are references to the provisions of the Companies Act, 2013, unless otherwise specified and are specifically referred to.

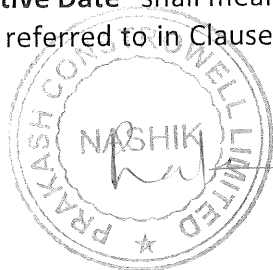
4.1 **"Applicable Laws"** shall mean any statute, notification, bye-laws, rules, regulations, guidelines, common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.

4.2 **"Appointed Date"** shall mean [●] or such other date as may be fixed or approved by the NCLT subject to acceptance of such other date by the Board of Directors of the Demerged Company and the Resulting Company.

4.3 **"Board of Directors"** shall mean the board of directors of the respective companies and shall include a duly constituted committee thereof or any other person authorized / to be authorized by the board of directors of the respective companies.

4.4 **"Demerged Company"** shall have the same meaning as described to it in Clause 1.1 above.

4.5 **"Effective Date"** shall mean last of the dates on which all conditions, matters and filings referred to in Clause 18.3 hereof have been fulfilled and necessary orders,



approvals and consents referred to therein have been obtained. References in the Scheme to the date of "coming into effect of the Scheme" or "effectiveness of the Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date.

- 4.6 **"Governmental Authority"** means any applicable Central, State or local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, Courts and other government and regulatory authorities of India in each case.
- 4.7 **"Tribunal" or "NCLT"** means the National Company Law Tribunal, Mumbai Bench empowered to sanction the scheme as per the provisions of the Act.
- 4.8 **"Record Date"** is any date after the Effective Date to be fixed by the Board of Directors of the Resulting Company for issuing the shares of Resulting Company to the shareholders of the Demerged Company.
- 4.9 **"Remaining Undertaking"** means all the businesses and activities of Demerged Company other than Demerged Undertaking
- 4.10 **"Resulting Company"** shall have the same meaning as ascribed to it in Clause 1.1 above.
- 4.11 **"Scheme" or "Scheme of Arrangement"** means this scheme of Arrangement or Demerger in its present form including any modifications or amendments thereto, approved or imposed or directed by the NCLT or any other Governmental Authority and with all the Schedules appended thereto.
- 4.12 **"Demerged Undertaking"** shall mean the "Real Estate" business of Demerged company as a going concern, including all its assets, rights, licenses and powers, and all its debts, outstanding, liabilities, duties, obligations and employees relating to the Real Estate business as on the Appointed Date on a going concern basis, including specifically the following:

- 4.12.1 All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Real Estate business, whether situated in India or abroad, including, but not limited to investments, facilities, land (whether leasehold or freehold), plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, stock-in-trade, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories,



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power lines, deposits, all stocks, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities relating to the Real Estate business, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits relating to the Real Estate business, financial assets, leases (including but not limited to lease rights relating to the Real Estate business), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, 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 interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Real Estate business. Employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Real Estate business or in connection with or relating to the Demerged 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 Demerged Company, in each case, whether in India or abroad but in all cases relating to the Real Estate business.

- 4.12.2 All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Real Estate business.



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- 4.12.3 All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Real Estate business.
- 4.12.4 Amounts claimed by the Demerged Company relating to the Real Estate business whether or not so recorded in the books of account of the Demerged Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment relating to the Real Estate business.
- 4.12.5 Rights to any claim not preferred or made by the Demerged Company relating to the Real Estate business in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Demerged Company relating to the Real Estate business and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India relating to the Real Estate business.
- 4.12.6 All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Demerged Company relating to the Real Estate business and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Demerged Company relating to the Real Estate business under which the assets of the Demerged Company relating to the Real Estate business stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the relating to the Real Estate business vested in the Resulting Company by the virtue of the Scheme. [The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company which shall vest in Resulting Company by virtue of the arrangement. The Resulting Company shall not be obliged to create any further or additional security thereof after the demerged has become effective.]



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- 4.12.7 All other obligations of whatsoever kind, including liabilities relating to the Real Estate business with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- 4.12.8 All permanent and temporary employees engaged by the Demerged Company relating to the Real Estate business at various locations.
- 4.12.9 Without prejudice to the generality of sub-clause (4.13.1) and (4.13.2) mentioned above, the Demerged Undertaking of the Demerged Company shall include all business and/or operations specific to the activities relating to the Real Estate business comprising of assets including investments, loans and advances, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies, and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under all applicable laws and regulations, municipal/ local permissions, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation and other laws as may belong to or be available to or be used by the Real Estate business of the Demerged Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, tenancies, advantages, and approval of whatsoever nature and wherever situated, belonging to or in ownership, including but without being limited to trade and services marks, patents, copyrights, brand names, drug licenses, Intellectual Property Rights, technical know-how, goodwill, benefits and advantages of carrying on the business, availing any facilities of the Demerged Company for the Real Estate business activities on mutually acceptable terms, enterprise resource planning software, accounting and other software, software licenses, permissions and connections, drawings, formulae, artwork secret processes, notings, website/web page and any other Intellectual Property Rights of any nature whatsoever, authorizations, permits, all records, files, papers, computer programs, books of accounts, corporate records, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to the Real Estate business and all other interests of whatsoever nature belonging to or in the ownership, power, possession, or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Real Estate business.



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5. SHARE CAPITAL

5.1. The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on March 31, 2018 is as under:

A) Authorised Share Capital:

Particulars	Amount in Rs.
300,000,000 Equity Shares of Rs. 1/- each	300,000,000/-
Total	300,000,000/-

B) Issued, subscribed and fully paid-up share capital

Particulars	Amount in Rs.
125,678,260 Equity Shares of Rs. 1/- each	125,678,260/-
Total	125,678,260/-

There is no change in the Share Capital of the Demerged Company as on the date of this Scheme.

5.2. The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on 31st March, 2018 is as under:

A) Authorised Share Capital:

Particulars	Amount in Rs.
1,00,000 Equity Shares of Rs. 1/- each	1,00,000/-
Total	1,00,000/-

B) Issued, subscribed and fully paid-up share capital

Particulars	Amount in Rs.
1,00,000 Equity Shares of Re. 1/- each	1,00,000/-
Total	1,00,000/-

The entire issued, subscribed and fully paid-up share capital of the Resulting Company is held by the Demerged Company. Thus, the Resulting Company is the wholly-owned subsidiary company of the Demerged Company.

There is no change in the Share Capital of the Resulting Company as on the date



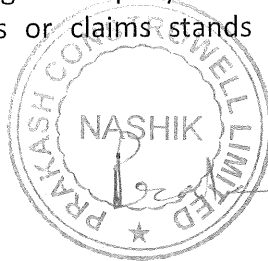
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of this Scheme.

6. TRANSFER AND VESTING / TRANSFER OF THE DEMERGED UNDERTAKING

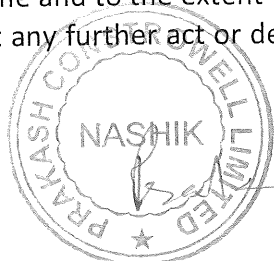
Upon coming into effect of the Scheme and with effect from the close of business hours of the Appointed Date and subject to the provisions of the Act and this Scheme:

- 6.1 The Demerged Undertaking of the Demerged Company shall be and stand transferred or deemed to be transferred to and vest in the Resulting Company as a going concern without any further act, instrument, deed or conveyance and become the properties, estates, assets, rights, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under Applicable Laws.
- 6.2 Without prejudice to sub-clause 6.1 above, items forming part of the Demerged Undertaking, which are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and / or delivery, may be so transferred by the Demerged Company, and shall, upon such transfer, become the properties, estates, assets, rights, title, interest and authorities of the Resulting Company as a going concern.
- 6.3 Without prejudice to sub-clause 6.1 above, items forming part of the Demerged Undertaking, which are movable in nature, inventory, cash and bank balances, sundry debtors, actionable claims, outstanding loans, advances recoverable in cash or in kind or for value to be received and deposits with government, semi-government, local and other authorities and bodies shall be treated in the following manner:
- a) The Resulting Company may give notices in such form as it may deem fit and proper to the debtors and other concerned parties of the Demerged Company that pursuant to the order of the NCLT sanctioning the Scheme under Sections 230 to 233 of the Act, the said debt, loan, advances, receivables, claims etc., be paid or made good or held on account of the Resulting Company and that the right of the Demerged Company to recover, realize or enforce the debt, loan, advances, receivables, claims etc., stands transferred to and vested in the Resulting Company and that appropriate entry should be passed in their books to record the aforesaid change.
- b) The Demerged Company may, if so required, also give notice in such form as it may deem fit and proper to its debtors and other concerned parties, that pursuant to the order of the NCLT sanctioning the Scheme under Sections 230 to 233 of the Act, the said debtors or other concerned parties should pay to the Resulting Company the debt, loan, advance, receivables or claims or make the same on account of the Resulting Company and that the right of the Demerged Company to recover, realize or enforce its debt, loan, advance, receivables or claims stands transferred to and vested in the Resulting



Company and that appropriate entry should be passed in their books to record the aforesaid change.

- 6.4 Without prejudice to sub-clause 6.1 above, all the liabilities, undertakings, debts or obligations of the Demerged Undertaking of the Demerged Company shall be and stand transferred or deemed to be transferred to the Resulting Company without any further act, instrument, writing, deed or conveyance and become the liabilities, undertakings, debts and obligations of the Resulting Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause. Provided that the loans, advances or other obligations (including but not limited to any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) that are due or which may at any time in future become due between the Demerged Company and the Resulting Company, if any, shall, ipso facto, stand discharged and come to end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Resulting Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances or other obligations with effect from the Appointed Date.
- 6.5 With effect from the Appointed Date, all inter-party transactions between the Resulting Company and the Demerged Company shall be considered as intra-party transactions for all purposes including without being limited to for the purposes of the Income Tax Act and Companies Act.
- 6.6 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Demerged Company after the Appointed Date, over the assets comprised in the Demerged Undertaking or any part thereof which are transferred to the Resulting Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities and obligations of the Demerged Company, the same shall, after the Effective Date, continue to relate and attach to such assets or part thereof to which they were related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Resulting Company.
- 6.7 All loans raised and used and all liabilities and obligations incurred by the Demerged Company only for the operations of Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company in which the Real Estate Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed



to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.

- 6.8 All the existing securities, mortgages, charges, encumbrances or liens over the assets and properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of the Resulting Company prior to the Effective Date shall continue to relate and attach only to such assets and properties and shall not extend to relate or attach to any of the assets and properties of the Demerged Company transferred to and vested in the Resulting Company by virtue of this Scheme.
- 6.9 It is expressly provided that, save as herein provided, no other term or condition of the liabilities and obligations transferred to the Resulting Company is modified or altered by virtue of this Scheme except to the extent that such modification or alteration is required statutorily or by necessary implication.
- 6.10 The Resulting Company may and in accordance with the provisions hereof; if so required under any law or otherwise, take such actions and execute deeds of confirmation or any other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or is subject to, in order to give formal effect to the Scheme. The Resulting Company shall, under the provisions of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to implement or carry out all such formalities or compliances referred to hereinabove. Such writings shall be deemed to be executed only for the purpose of giving effect to the provisions of this Scheme and for administrative convenience purposes and shall not be treated as creating any new rights or obligations unless specifically provided for and thus it shall be ancillary and incidental to the principal arrangement contained under this Scheme given the fact that vesting of the Undertaking of the Demerged Company occurs by virtue of this Scheme itself.
- 6.11 For the avoidance of doubt and without prejudice to the generality of the foregoing, all authorizations and any other licenses, approvals, consents, clearances, permits, permissions, certificates etc. granted to the Demerged Company shall vest in the Resulting Company as if the same were originally granted to the Resulting Company and the concerned grantors of such authorizations, licenses, approvals, consents, clearances, permits, permissions, certificates etc. shall endorse, where necessary, and record the Resulting Company on such authorizations, licenses, approvals, consents, clearances, permits, permissions, certificates etc. so as to empower and facilitate the approval and vesting of the authorizations, licenses, approvals, consents, clearances, permits, permissions, certificates etc. of the Demerged Company in the Resulting Company without any hindrance and ensuring smooth transition on and from the Effective Date.



- 6.12 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company, and the rights and benefits under the same shall, in so far as they relate to the Demerged Company and all quality certifications and approvals, patents and domain names, copyrights, brands, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Company, shall without any further act or deed be transferred to and vested in the Resulting Company under the same terms and conditions as were applicable to the Demerged Company immediately prior to the coming into effect of this Scheme. In so far as the various incentives, sales tax, deferral benefits, subsidies (including applications for subsidies), available tax credits (including TDS and MAT Credit, if any), rehabilitation schemes, grants, benefits available as an Export Oriented Undertaking, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed of or to be availed of by the Demerged Company are concerned, the same shall, without any further act or deed vest with and be available to the Resulting Company on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme.
- 6.13 On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company and realise all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Undertaking of the Demerged Company in the name of the Demerged Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking of Demerged Company to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.
- 6.14 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date until such times the name of the bank accounts of the Demerged Undertaking of the Demerged Company would be replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Undertaking of the Demerged Company in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Undertaking of the Demerged Company 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. The Resulting Company shall be allowed to maintain banks accounts in the name of Demerged Undertaking of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation

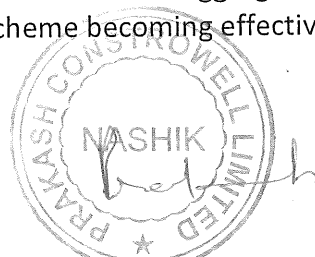


and deposition of cheques and pay orders that have been issued related to the Demerged Undertaking of the Demerged Company. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the coming into effect of the Scheme.

- 6.15 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that if any assets (including estates, claims, rights, entitlements, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, permissions, authorisations, schemes, arrangements or other instruments of whatsoever nature which belongs to the Demerged Undertaking or to which the Demerged Undertaking of the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Resulting Company shall hold such assets or be entitled to all the rights, powers or interests in such instruments in trust in the name of the Demerged Company for its benefit in terms of this Scheme, in so far as it is permissible so to do, till such time the formal transfer is effected.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 7.1 Subject to other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, policies, tenancies, leases, licenses, permits or other assurances, agreements, arrangements and other instruments of whatsoever nature (including any document by virtue of which security is created in favour of the Demerged Company) to which the Demerged Undertaking of the Demerged Company is a party or the benefits of which the Demerged Undertaking may be eligible for and which are subsisting or having effect immediately before the Effective Date, shall, upon the Scheme becoming effective, be in full force and effect against or in favour of the Resulting Company, as the case may be, and all or any of the rights, privileges, obligations and liabilities of the Demerged Undertaking shall be transferred to and vest in 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, beneficiary or obligor thereto.
- 7.2 The resolutions, if any, related to the Demerged Undertaking of the Demerged Company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then said limits shall be added to the limits available to the Resulting Company by virtue of resolutions passed by its members or the Board of Directors, as the case may be, and shall constitute the aggregate of the said limits in the Resulting Company after the Scheme becoming effective.



- 7.3 Notwithstanding the fact that vesting of the Demerged Undertaking shall occur by virtue of the Scheme itself, the Resulting Company may, at any time after the Effective Date, if so required, under any law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of the Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.

8. LEGAL PROCEEDINGS

- 8.1 Upon the effectiveness of the Scheme, all suits, appeal, actions and other legal proceedings of whatsoever nature by or against the Demerged Company pending and / or arising on or before the Appointed Date shall not abate, be discontinued or be in any way prejudicially affected by reason of the Arrangement of the Demerged Company into Resulting Company or of anything contained in this Scheme, but shall be transferred in the name of the Resulting Company and shall be continued, prosecuted and enforced by or against the Resulting Company, in the same manner and to the same extent as it would be or might have been continued, prosecuted or enforced by or against the Demerged Company as if the same had been filed by, pending and / or arising against the Resulting Company.
- 8.2 Where a contravention of any of the provisions of any statute or of any rule, regulation, direction or order made thereunder has been committed by, or any proceeding for a criminal offence has been instituted against a director or secretary, manager, officer or other employee of the Demerged Company before the Appointed Date, such director, secretary, manager, officer or other employee shall be liable to be proceeded against under such law and punished accordingly as if the Demerged Company, of which such person is a director, secretary, manager, officer or other employee, had not been dissolved.

9. STAFF AND EMPLOYEES

Upon the Scheme becoming effective:

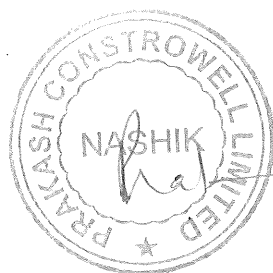
- 9.1 All employees who are in service related to the Demerged Undertaking of the Demerged Company on the Effective Date, shall become the employees of the Resulting Company on such date without any break or interruption in service and on terms and conditions of service (including as to remuneration) not less favourable than those subsisting with the Demerged Company as on the Effective Date.
- 9.2 The existing provident fund, gratuity fund and pension and other benefits



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provided by the Demerged Company to its employees related to Demerged Undertaking or any other special funds created or existing for the benefit of the employees of the Demerged Undertaking shall at an appropriate stage be transferred to the relevant funds of the Resulting Company and until such time shall be maintained separately. In the event that the Resulting Company does not have its own funds with respect to any such matters, the Resulting Company shall create its own fund(s) to which the contributions pertaining to the employees of Demerged Undertaking shall be transferred.

- 9.3 The Resulting Company agrees that for the purpose of payment of any gratuity or other terminal benefits, the past services of such permanent and confirmed employees, if any, with the Demerged Company related to Demerged Undertaking shall also be taken into account.
- 9.4 The liabilities of the employees / officers towards the Demerged Undertaking shall stand transferred to the Resulting Company. Further, any prosecution or disciplinary action, initiated, pending or contemplated against any employee or officer by the Demerged Undertaking as on the Effective Date shall be continued under the extant provisions of the Demerged Undertaking and any penalty / penalties imposed in this regard on any officer or employee would continue to operate against the concerned employee or officer and shall be enforced fully and effectually by the Resulting Company.
- 9.5 Without prejudice to the generality of the aforesaid, the Resulting Company shall have the right to transfer the employees belonging to the Demerged Undertaking of the Demerged Company to any branch, office, region, establishment, division, profit / cost center or department of the Resulting Company or its subsidiaries or affiliate / associate companies, situated anywhere in India or overseas, if warranted and as may be deemed necessary from time to time.
- 9.6 Except with the prior approval of the Resulting Company, the Demerged Company shall not, between Appointed Date and Effective Date, vary the terms and conditions of the employment of the employees of Demerged Undertaking unless such variance in the terms and conditions of employment of the employees are in the ordinary course of business.
- 9.7 The Resulting Company shall be liable to pay and shall pay to each of the officers and employees of Demerged Undertaking such compensation in the event of the retrenchment of any of them as they may be entitled to receive according to any agreement between them and the Demerged Company or between them and the Resulting Company, as the case may be, or as may be required by any law for the time being in force, such compensation to be paid to each of them on the basis that their service has been continuous and has not been interrupted by virtue of the Demerged Undertaking of the Demerged Company having been taken over by the Resulting Company under this Scheme.



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10. TAX TREATMENT

- 10.1 The Resulting Company will be successor of the Demerged Undertaking of Demerged Company. The unutilized credits relating to any and all indirect taxes paid on input services consumed by the Specific Undertaking of Demerged Company shall be transferred to the Resulting Company automatically without any specific approval or permission as an integral part of the Scheme.
- 10.2 Income taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, Alternative Minimum Tax, Minimum Alternative Tax, wealth tax, if any, paid by the Demerged Company specifically pertaining to Demerged Undertaking shall be treated as paid by the Resulting Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. MAT credit available with the Demerged Company specifically relating to Demerged Undertaking under Income Tax Act, 1961, if any, shall be available to the Resulting Company.
- 10.3 If the Demerged Company is entitled to any benefits under incentive schemes and policies relating to the Demerged Undertaking, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Resulting Company.
- 10.4 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, Central Goods and Services Tax Act, 2017 and other tax laws, and to claim refunds and or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 10.5 Without prejudice to the generality of the foregoing on and from the Appointed date, if any certificate of tax deducted at source or any other tax credit certificate relating to the Demerged Company for Demerged Undertaking received in the name of Demerged Company, it shall be deemed to have been received by the Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.

11. REMAINING UNDERTAKING

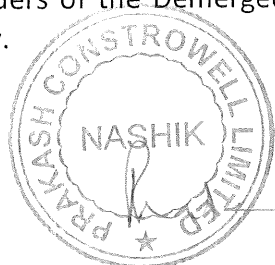
The Remaining Undertaking of the Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.



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12. CONSIDERATION

- 12.1. Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company and in terms of the Scheme, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Demerged Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Rs. 1/- (Rupees One only) each credited as fully paid up of the Resulting Company in the ratio of, 1 equity share of the face value of Rs. 1/- (Rupees One only) each of the Resulting Company for every 4 equity shares of Re. 1/- (Rupee One only) credited as fully paid-up held by the shareholders in the Demerged company, on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Demerged Company (the "New Equity Shares").
- 12.2. Where the New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
- 12.3. Upon the coming into effect of the Scheme, the New Equity Shares of Resulting Company to be issued and allotted to the members of the Demerged Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company and shall rank pari passu from the date of allotment in all respects with the existing equity shares of Resulting Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Resulting Company to the members of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 12.4. The Resulting Company shall, if and to the extent require, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of New Equity Shares to the members of the Demerged Company under the scheme.
- 12.5. The shares shall be issued to the members of the Demerged Company in dematerialized form or physical form depending on the shares held by the shareholders of the Demerged Company on the Record Date by the Resulting Company.



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- 12.6. The issue and allotment of New Equity Shares by the Resulting Company to shareholders of the Demerged Company is an integral part of this scheme and shall be deemed to have been carried out without any further act or deed and the approval of shareholders of the Resulting Company to the Scheme shall be deemed to be due compliance of the provisions of Section 42 and 62 and other relevant or applicable provisions of the Companies Act, 2013.
- 12.7. Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged Company and Resulting Company, allotment of shares shall be done within 45 days from the Effective Date.
- 12.8. In the Event of there being any pending and valid share transfers, where lodged or outstanding of any shareholder of Demerged Company, the Board of Directors or any committee thereof, of the Demerged Company shall be empowered in appropriate cases, even subsequent to the record date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Demerged Company or Resulting Company, as the case may be, in respect of such shares.
- 12.9. The Resulting Company after filing the Scheme with the applicable Governmental Authority shall convert from private limited company to public limited and after the demerger subject to compliance with applicable laws, rules, circulars and notifications including, inter alia, the applicable provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time; make an application for listing and trading of its equity shares on BSE and NSE.
- 12.10. Subject to any dispensation granted by the Securities Board of India, BSE, NSE, the shares allotted pursuant to clause 12 of the Scheme shall remain frozen in the depositories system until permission for listing / trading is granted by BSE Limited/BSE and the NSE.
- 12.11. Until such time as the equity shares of the Resulting Company are listed on NSE and BSE, there shall be no change in shareholding pattern or control of or pre-arrangement capital structure of Resulting Company.

13. FRACTIONS

No fractional entitlements shall be issued in favour of any member of the Demerged Company holding Shares of the Demerged Company, in respect of the fractional entitlements if any, to which he/she/it may be entitled on issue or allotment of the shares of the Resulting Company as aforesaid. The Board of Directors of the Resulting Company shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a director or an authorised officer of the Resulting Company with express understanding that such director or the



P. J. [Signature]

officer shall sell the same at the best available price in one or more lots by private sale / placement or by auction as deemed fit (the decision of such director or the officer as the case may be as to the timing and method of the sale and the price at which such sale has been given effect to shall be final) and pay the sales proceeds to the Resulting Company. The net sale proceeds thereupon shall be distributed among the members of the Demerged Company in the proportion of their fractional entitlements in the Resulting Company.

14. REDUCTION OF RESERVES AND SURPLUS AND / OR SHARE CAPITAL

- 14.1. The entire equity share capital of the Resulting Company is beneficially held by the Demerged Company. In other words, The Resulting Company is the wholly-owned subsidiary company of the Demerged Company. Accordingly, pursuant to this arrangement, no shares of the Resulting Company shall be issued and allotted to the Demerged Company in respect of its holding in the Resulting Company. Upon the Scheme becoming effective, the entire share capital of the Resulting Company held by Demerged Company shall be cancelled and extinguished.
- 14.2. The investments in the shares of the Resulting Company appearing in the books of accounts of the Demerged Company shall, without any further act or deed, stand cancelled.
- 14.3. The aforesaid cancellation of the entire paid up capital of the Resulting Company forms an integral part of this Scheme; and under the accepted principle of single window clearances, the approval accorded by the equity shareholders of the Resulting Company shall be deemed to be the approval of envisaged under the provisions of section 230 to 232 and all other applicable provisions of the Act and no separate procedure shall be required to be followed for the said purpose. The order of the NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act. In view of the same, the Resulting Company shall not be required to separately comply with section 66 or any other provisions of the Act and shall not be required to add "and Reduced" after its name.
- 14.4. An amount equivalent to the book value of net assets [i.e. Total Assets minus the Total Liabilities pertaining to the Demerged Undertaking] transferred to the Resulting Company by the Demerged Company in terms of this Scheme, shall be adjusted against the surplus in the profit and loss account of the Demerged Company.
- 14.5. For giving effect to the above provisions, the permission, if any required, from the Equity Share Holders of the Resulting Company and Demerged Company shall be deemed to have been received as contemplated by the Act and other related provisions on this Scheme being approved by members of the Resulting Company and Demerged Company at the Court convened meeting or otherwise.



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15. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY AND THE DEMERGED COMPANY

15.1. Accounting treatment in the books of the Demerged Company

15.1.1. Upon the Scheme becoming effective, the book value of assets and liabilities of the Demerged Undertaking as appearing in the books of the Demerged Company as on the Appointed Date and transferred to the Resulting Company shall be reduced from the book value of assets and liabilities of the Demerged Company.

15.1.2. An amount equivalent to the book value of net assets of the Demerged Undertaking transferred to the Resulting Company by the Demerged Company in the terms of this Scheme, shall be adjusted to the Statement of Profit and Loss of the Demerged Company.

15.2. Accounting treatment in the books of the Resulting Company

15.2.1. The assets and liabilities of the Demerged Undertaking shall be transferred to the Resulting Company at their values appearing in the books of account of Demerged Undertaking at the close of business of the day immediately preceding the Appointed Date. In determining the value of the assets referred hereinabove, any change in value of assets consequent to their revaluation shall be ignored in terms of section 2(19AA) of the Income Tax Act, 1961.

15.2.2. The excess of book value of assets over book value of liabilities so recorded in the books of the Resulting Company, as reduced by paid-up value of the New Equity Shares issued in terms of clause 12, shall be adjusted with General Reserves in the books of the Resulting Company.

15.2.3. Any amount due from the Demerged Company to the Resulting Company and any shares held by the Resulting Company in the Demerged Company or vice versa shall stand cancelled or share capital of the Resulting Company shall be reduced as the case may be.

15.2.4. If at the time of the arrangement, the Demerged Company and the Resulting Company have conflicting accounting policies, a uniform set of accounting policies shall be adopted following the arrangement by the Resulting Company. The effects on the financial statements of any changes in accounting policies shall be reported in accordance of Accounting Standard 5 "Net Profit or Loss for the Period, Prior period Items and Changes in Accounting Policies".



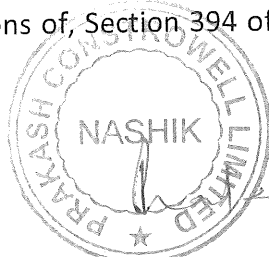
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16. OPERATIVE DATE OF THE SCHEME

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

17. CONDUCT OF BUSINESS BY THE DEMERGED COMPANY TILL EFFECTIVE DATE

- 17.1. From the Appointed Date till the Effective Date, the Demerged Company shall carry on and be deemed to have carried on all its business and activities and shall hold and be in possession of the Undertaking for and on account of and in trust for the Resulting Company. All profits, incomes, expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) or accruing to the Demerged Company or by the Demerged Company shall, for all purposes, be treated as the profits or incomes or expenditure or losses or taxes, as the case may be, of the Resulting Company.
- 17.2. From the Appointed Date till the Effective Date, the Demerged Company shall carry on all its business and activities with reasonable diligence and business prudence and shall not, without the prior written consent of the Resulting Company, alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Demerged Company prior to the date of approval of the Scheme by its Board of Directors.
- 17.3. All assets, rights, titles, interests and authorities accrued to and /or acquired by the Demerged Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been accrued to and / or acquired for and on behalf of the Resulting Company and shall, pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed or conveyance, be and stand transferred to or vested in or be deemed to be transferred to or vested in the Resulting Company to that extent and shall become the assets, rights, title, interests and authorities of the Resulting Company.
- 17.4. Where any of the liabilities of the Demerged Company which are on the Appointed Date transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 17.5. All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Demerged Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall, pursuant to the provisions of, Section 394 of the Act, without any further act, instrument or



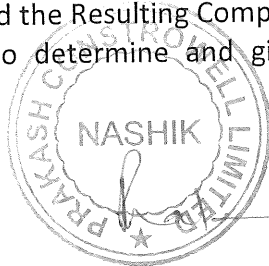
deed be and stand transferred to or vested in or be deemed to be transferred to and vested in the Resulting Company and shall become the liabilities and obligations of the Resulting Company and the Resulting Company shall discharge and satisfy the same.

- 17.6. With effect from the date of the respective meetings of the Board of Directors of the Demerged Company and the Resulting Company approving the Scheme and upto and including the Effective Date, the Demerged Company and the Resulting Company may make any change in their respective capital structure, whether by way of increase, decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, only after obtaining the prior written approval of the Board of Directors of the Resulting Company and the Demerged Company and in such an event, appropriate and consequential changes in the provisions of this Scheme shall be made and shall be deemed to have been made.

18. GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

18.1. Modifications and Amendments:

- a) The Demerged Company (by their Directors) and the Resulting Company (by their Directors) may, from time to time, give their respective assent(s) on behalf of all persons concerned to any modifications or amendments or additions to the Scheme or to any conditions or limitations which either the respective Board of Directors of the Demerged Company and the Resulting Company deem fit, or which the NCLT and / or any other Governmental Authorities under Applicable Laws may deem fit to approve of or impose and which the Demerged Company and the Resulting Company may, in their discretion, deem fit, and to resolve all doubts or difficulties that may arise in carrying out and implementing the Scheme and to do, authorize and execute all acts, instruments, deeds, matters and things necessary, or to review the position relating to the satisfaction of the conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing the Scheme into effect. In the event any of the conditions that may be imposed by the NCLT or other authorities is found to be unacceptable by the Demerged Company or the Resulting Company then the Scheme may be withdrawn. The aforesaid powers of the Demerged Company and the Resulting Company may be exercised by their respective Board of Directors, a committee or committees of the concerned Board of Directors or any director authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the "Delegatee").
- b) For the purpose of giving effect to the Scheme or to any modifications or amendments thereof or additions hereto, the Delegatee of the Demerged Company and the Resulting Company, as the case may be, may give and are authorized to determine and give all such directions as are necessary



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including directions for settling questions or doubts or removing any difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.

18.2. Application for Sanction of the Scheme by the Demerged Company and the Resulting Company:

- a) The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make applications under Section 230 and all other applicable provisions of the Act for sanctioning of the Scheme by the NCLT
- b) The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Laws for such consents and approvals which the Resulting Company may require to own the Undertaking and to carry on the business of the Demerged Company.

18.3. Effective Date

This Scheme although to come into operation from the Appointed Date shall not come into effect until the last of the following dates viz.:

- (i) The date on which the last of all the consents, approvals, permissions resolutions sanctions and/or orders as are hereinabove referred to have been obtained or passed; and
- (ii) The date on which all necessary certified copies of the order under sections 230 to 233 of the Companies Act, 2013 are duly filed with the Registrar of Companies, Maharashtra, if required and such date shall be referred to as Effective Date for the purpose of the Scheme.

However, the Effective Date shall not be affected by any of the modifications that might be required to be made as provided under clause 18.1 and the Effective Date for such modified scheme shall be the same as mentioned in the above paragraphs.

It is the intention and understanding of the parties hereto that the economic effect of the Scheme shall take effect from the Appointed Date despite the Scheme becoming effective from Effective Date under the relevant laws.

18.4. Profits, Dividend, Bonus / Right / Preferential Allotment of Shares / Warrants

The Demerged Company may before the Effective Date make any change in the capital structure either by increase, (by issue of shares on rights basis or



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preferential basis, issue of convertible instruments or otherwise) decrease, reduction, re-classification, consolidation, sub-division, or in any manner with the consent of the Board of Directors of the Demerged Company and on the terms and conditions as they may be decided and such changes in capital structure will not in any way affect or change the share entitlement ratio provided in this Scheme, unless otherwise agreed between the Demerged Company and the Resulting Company.

18.5. **Severability**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

18.6. **Conditionality of the Scheme:**

- a) The Scheme is specifically conditional upon and subject to:
- i) consent of a majority in number representing three fourths in value of the shareholders and creditors of each of the Demerged Company and the Resulting Company by way of obtaining written consents or at their respective meetings, present either in person or by proxy at a meeting called for that purpose unless the holding of such meetings is either exempted or dispensed with by NCLT;
 - ii) consent of a majority in number representing three fourths in value of all members of the Demerged Company and the Resulting Company by way of obtaining written consent or at a members' meeting, present in person or by proxy, of the Demerged Company and the Resulting Company respectively unless the holding of such meetings is either exempted or dispensed with by NCLT;
 - iii) sanction of the scheme by the NCLT by an order in writing passed in this behalf;
 - iv) The compliance with the SEBI guidelines including particularly, the circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and subsequent amendments thereof.
 - v) sanction or approval, if any required, under any law, of the Government of India or any other authority, agency, department or person concerned; and
 - vi) certified copies of the order of the NCLT in respect of the Scheme



being filed with the Registrar of Companies, Mumbai, Maharashtra.

- b) Upon satisfaction of the said conditions and on obtaining the said sanctions and approvals referred to hereinabove, the Demerged Company or the Resulting Company, as the case may be, shall, for all purposes, including for giving effect to the Scheme, under all Applicable Laws for the time being in force, be deemed to be in compliance thereof.

18.7. Validity of the Scheme:

- a) In the event of any of the conditions referred in Clause 18.6 a) hereinabove are not satisfied or the said sanctions and approvals are not obtained and / or the said order or orders not passed as aforesaid within such period or periods as may be agreed upon between the Demerged Company and the Resulting Company through their respective Board of Directors, the Scheme shall stand nullified, revoked, cancelled and shall become void and be of no effect and shall be deemed to have never have been in existence.
- b) The Board of Directors of each of the Demerged Company and the Resulting Company are hereby authorized and empowered to agree to and extend the period as aforesaid determined from time to time without any limitations in exercise of their powers.
- c) In the event of any subsequent change in law or regulations which does not require the Scheme to be approved by the NCLT, the Demerged Company and the Resulting Company shall have the right to withdraw the Scheme as filed before the NCLT.
- d) In the event of revocation under Clause 18.4 a) above, no rights and liabilities whatsoever shall accrue to or be incurred inter-se to the Demerged Company and the Resulting Company or their respective members or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Laws, and in such case, the Demerged Company and the Resulting Company shall bear its own costs unless otherwise mutually agreed.
- e) If any part of this Scheme is invalid, ruled illegal by the NCLT of competent jurisdiction, or unenforceable under present or future Applicable Laws, then it is the intention of the Demerged Company and the Resulting Company 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 Demerged Company and /or the Resulting Company, then in such case the Demerged Company and /or



the Resulting Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Demerged Company and the Resulting Company the benefits and obligations of the Scheme, including but not limited to such part deleted.

- f) The Board of Directors of the Demerged Company and / or the Resulting Company shall be entitled to withdraw this Scheme prior to the Effective Date.

18.8. Saving of Concluded Transactions

The transfer and vesting of the assets, liabilities and obligations of the Demerged undertaking in accordance with the provisions of this scheme and the continuance of the legal proceedings by or against the Resulting Company shall not affect any transaction or proceeding already completed by Demerged Company on or before the Appointed date and the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

18.9. Costs:

All costs, charges and expenses, including any taxes and duties of the Demerged Company and the Resulting Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Demerged Company and Resulting Company equally.

18.10. Stamp Duty:

All incidences of stamp duty payable, if any, in relation to the arrangement of the Demerged Company with the Resulting Company and for giving effect to this Scheme shall be borne solely by the Resulting Company.

18.11. Dispute:

All disputes and differences arising out of this Scheme between the Demerged Company and the Resulting Company shall be referred to the Board of Directors of the Resulting Company whose decision shall be binding on all concerned.

18.12. Listing Agreement and SEBI Compliances:

The Demerged Company being a Listed Company shall continue to comply with



all the requirements under the Listing Agreement/Regulations and all statutory directives of SEBI in so far as they relate to sanction and implementation of this Scheme.

The Demerged Company in compliance with Listing Agreement/Regulations shall apply for the approval of BSE Limited and National Stock Exchange of India Limited, where the shares are listed, before approaching NCLT for sanction of this Scheme.



P. L. S.