



Date: 25th March 2025

National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Plot No. C-1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India NSE Scrip Code – SKFINDIA	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001, Maharashtra, India BSE Scrip Code -500472
---	---

Subject: Intimation under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') - Revised Scheme of Arrangement between SKF India Limited (the 'Demerged Company' or 'SKF India' or 'Company') and SKF India (Industrial) Limited (the 'Resulting Company' or 'SKF Industrial') and their respective shareholders and creditors ('Scheme') under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

Dear Sir/Madam,

We would like to inform you that, vide email dated 20th March 2025, Securities Exchange Board of India ('SEBI') has advised to include in the Scheme, the provision of e-voting by public shareholders in line with the requirement of Paragraph (I)(A)(10)(a) of SEBI Master Circular and share the copy of the revised Scheme. Accordingly, we have made the below mentioned change in the Scheme:

Following paragraph has been added in clause 24.1.2 at the end:

"Further, the Demerged Company shall comply with the provisions of e-voting as per SEBI Circular, as applicable, by obtaining approval of shareholders through e-voting. It is clarified that the provisions of Paragraph (I)(A)(10)(b) of the SEBI Circular in relation to obtaining approval of majority of public shareholders of the Demerged Company is not applicable to this Scheme."

The revised Scheme post carrying out the above-mentioned change is enclosed herewith as **Annexure 'A'** for your records.

We further request you to upload the revised Scheme of Arrangement on your respective websites.

Yours faithfully,
For SKF India Limited


Ranjan Kumar
Company Secretary & Compliance Officer



SKF India Limited

Registered office: Chinchwad, Pune 411 033, Maharashtra, India

Tel: +91 (20) 6611 2500, Fax no: +91 (20) 6611 2396, Web: www.skf.com, Email id: investorIndia@skf.com

CIN: L29130PN1961PLC213113

SCHEME OF ARRANGEMENT

BETWEEN

SKF INDIA LIMITED ("SKF INDIA" or "DEMERGED COMPANY")

AND

SKF INDIA (INDUSTRIAL) LIMITED ("SKF INDUSTRIAL" or "RESULTING COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

BACKGROUND OF THE COMPANIES AND RATIONALE OF THE SCHEME

(A) BACKGROUND OF THE COMPANIES

SKF INDIA LIMITED

1. **SKF India Limited** ("SKF India" or the "Demerged Company" or the "Company") is a public limited company incorporated under the Companies Act, 1956 bearing corporate identification number L29130PN1961PLC213113 and having its registered office at Chinchwad, Pune - 411033, Maharashtra, India. The Demerged Company is *inter-alia*, engaged in the manufacturing and dealing with products, solutions and services within rolling bearing, seals, mechatronics, and lubrication systems for the automotive sector and other industrial sectors (including railways, defence, wind energy, metal industry, etc.). The shares of the Demerged Company are listed on the Stock Exchanges (*as defined hereinafter*).



SKF INDIA (INDUSTRIAL) LIMITED

2. **SKF India (Industrial) Limited** (“SKF Industrial” or the “Resulting Company”) is a public limited company incorporated under the Companies Act, 2013 on 17 December 2024 bearing corporate identification number U28140PN2024PLC236396 and having its registered office at c/o SKF India Limited, Chinchwad Gaon, Chinchwad, Chinchwadgaon, Pune, Pune City, Maharashtra, India, 411033. The Resulting Company has been incorporated, *inter-alia*, to carry on the business of manufacturing and dealing with products, solutions and services within rolling bearing, seals, mechatronics, and lubrication systems. The Resulting Company is a wholly owned subsidiary of the Demerged Company. The equity shares of the Resulting Company are presently not listed on the Stock Exchanges.

(B) OVERVIEW OF THE SCHEME

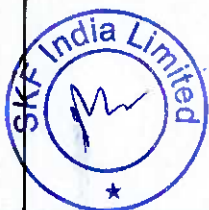
This Scheme (*as defined hereinafter*) is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) and *inter-alia* provides for the following:

- (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company on a going concern basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof, in accordance with the Act and the provisions of Section 2(19AA) of the IT Act (*as defined hereinafter*); and
- (ii) various other matters consequential or otherwise integrally connected therewith including reduction and cancellation of the entire pre-scheme share capital of the Resulting Company.

(C) RATIONALE OF THE SCHEME

The Scheme provides for demerger of the Demerged Undertaking of Demerged Company into Resulting Company on a going concern basis. The transfer and vesting by way of demerger would be in the best interests of the Demerged Company, the Resulting Company and their respective shareholders and creditors as the proposed demerger will yield the following advantages:

- (i) separation of the Automotive Business and Industrial Business of the Company will allow the Demerged Company and the Resulting Company to have autonomous and



independent automotive and industrial business segment to enable future strategic flexibility to have independent and focused management as well as independently pursue different opportunities and strategies for the growth of each respective business with greater agility, aligned to specific market and industry dynamics. Separation of these businesses will also facilitate a clearer focus on distinct opportunities to enhance customer value, accelerate growth as well as improve efficiency and competitiveness for both the businesses;

- (ii) in view of the separation of automotive and industrial businesses at a global level, each business would be able to address independent growth plans, pursue efficient capital allocation, attract different sets of investors, strategic partners, lenders and other stakeholders, leverage on their strategies as standalone companies and stronger leverage of specific global resources within the group;
- (iii) the proposed demerger will de-risk both the businesses from each other, allow the businesses to tailor capital deployment, adapt faster to the global trends, enhance operational efficiency, increased responsiveness and enhanced end-user experiences and allow potential investors and other stakeholders the option of investing in both businesses;
- (iv) the shareholders, investors, and other stakeholders will have greater understanding and visibility of both the businesses; and
- (v) the proposed demerger will unlock value for the shareholders of the Demerged Company.

The Scheme is in the best interests of the respective entities and their respective stakeholders for the reasons aforesaid and is not prejudicial to the interests of any of the concerned shareholders, creditors or the public at large.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART A** deals with the definitions of the terms used in this Scheme, Interpretation and the Share Capital;



2. **PART B** deals with (i) the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a going concern basis and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof; and (ii) reduction and cancellation of entire pre-scheme share capital of the Resulting Company; and
3. **PART C** deals with the General Terms and Conditions applicable to this Scheme.

(E) **TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961**

The provisions of this Scheme are compliant with the conditions for “Demerger” (as applicable) as defined under Section 2(19AA) read with other applicable provisions of the IT Act. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the IT Act, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of Section 2(19AA) of the IT Act, or corresponding provisions of any amended or newly enacted law shall prevail, and the Scheme shall stand modified to the extent determined necessary to comply with such amended Section 2(19AA) of the IT Act or such newly enacted law or new legislation.



PART A: DEFINITIONS OF THE TERMS USED IN THE SCHEME, INTERPRETATION AND THE SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, in addition to the terms defined elsewhere in this Scheme, the following capitalised terms shall have the meaning set out below:

- 1.1 **“Act” or “the Companies Act”** means the Companies Act, 2013 (including any statutory amendments or modifications(s) or re-enactment(s) thereof) and rules and regulations made thereunder, for the time being in force, and which may relate or are applicable to the arrangement;
- 1.2 **“Applicable Laws”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), by-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, press notes, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority; (b) Permits; and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a Person, as may be in force from time to time;
- 1.3 **“Appointed Date”** means the same as Effective Date, or such other date as may be mutually decided by the Board (*as defined hereinafter*) of the Demerged Company and the Resulting Company;
- 1.4 **“Appropriate Authority”** means:
- i. the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;
 - ii. any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi governmental authority including without limitation, SEBI and the NCLT; and
 - iii. any Stock Exchange.



- 1.5 **“Board of Directors” or “Board”** in relation to the Demerged Company and the Resulting Company, as the case may be, means their respective Board of Directors and shall, unless repugnant to the context or otherwise, include a duly constituted committee (existing or to be constituted subsequently by the Board) or any Person authorised by the Board of Directors or such committee;
- 1.6 **“BSE”** means BSE Limited;
- 1.7 **“Companies”** shall mean SKF India Limited and SKF India (Industrial) Limited, collectively, and **“Company”** shall mean any one of them as the context may require;
- 1.8 **“CIN”** means Company Identification Number;
- 1.9 **“Demerged Company” or “SKF India”** means SKF India Limited, a company incorporated on 12th April 1961 under the Companies Act, 1956, bearing CIN: L29130PN1961PLC213113, and having its registered office at Chinchwad, Pune - 411033, Maharashtra, India;
- 1.10 **“Demerged Undertaking” or “Industrial Business”** shall mean and include all the activities, businesses, operations and properties of whatsoever nature and kind and wheresoever situated as identified by the Board of Directors of the Demerged Company, forming part and relating to the manufacturing, trading, marketing and dealing with products, solutions and services within rolling bearing, seals, rotating shaft services, and lubrication systems for the industrial sector (including railways, defence, wind energy, metal industry, etc.), as on the Appointed Date, on a going concern basis, including but not limited to, the following:
- a) all the immovable properties and rights thereto i.e., land together with all buildings, factories, civil works, foundations for civil works and structures standing thereon, premises (whether residential, commercial, industrial or otherwise) including but not limited to immovable properties allotted, leased or licensed by various landlords, owners, authorities (including but not limited to the Government of Maharashtra) and lessors (whether freehold or leasehold, leave and license, right of way, tenancies or otherwise), offices, guest houses, warehouses, workshops, shed, right of use assets, investment properties etc., whether in possession or reversion, which form part of the Industrial Business and all deeds, documents and writings (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease and license or other rights to use of premises, in connection with



the said immovable properties. It is clarified that, in so far as the immovable property(ies) of the Demerged Company is used for carrying out both, the Retained Business as well as the Industrial Business, then the appropriation/ utilisation of such immovable property, to the effect that such property remains available for use of Industrial Business, shall be as mutually agreed between the Boards of the Demerged Company and the Resulting Company;

- b) all other assets, forming part of the Industrial Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, furniture, fixtures, fixed assets, tools, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, power lines, stores and spares, etc.), capital works in progress, current and non-current assets, inventories, loans and advances, stock-in-trade, stock-in-transit, merchandise (including raw materials), finished goods, supplies, packaging items, actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, insurance policies, security deposits, receivables, recoverables in cash or in kind or in value to be received, funds cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other Persons, the benefits of any bank guarantees, performance guarantees and tax related assets;
- c) investments in subsidiaries, associates and joint ventures or any other securities/ investments in any other Person, which form part of the Industrial Business;
- d) all Permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, incentives, powers, authorities, allotments, advantages, bids, tenders, tax deferrals and exemptions and other benefits (in each case including the benefit of any applications made for the same), receivables and liabilities related thereto that form part of the Industrial Business;

all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, business partnerships and collaborations, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements,



lease/ licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, agreement with bankers, agreement with lenders, agreement with group Companies, agreement with third parties, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, maintenance, housekeeping, security, contract workers agreements, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise as amended and restated from time to time and all rights, title, interests, claims and benefits thereunder forming part of the Industrial Business;

- f) all intellectual property rights, applications (including hardware, software, licenses, source codes and scripts), registrations, goodwill, trade names, service marks, copyrights, patents, approvals, intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such rights of whatsoever description and nature whether registered or unregistered that form part of the Industrial Business;
- g) all rights to use and avail telephones, domain name, 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, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Demerged Company forming part of the Industrial Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company and forming part of the Industrial Business;
- h) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, marketing authorizations, marketing intangibles, product registrations, dossiers, product master



cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form that form part of the Industrial Business;

- i) all debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or immature, 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), or pertaining to the Industrial Business;
- j) the technical qualifications, right to use the accreditations, credentials, work experience, track record with customers or other parties, contracts with clients and with vendors of the Demerged Company in relation to the Demerged Undertaking including without limitation, the profitability, net worth, past financial parameters, incorporation history, turnover, goodwill, experience and market share for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation in all existing and future bids, tenders including contracts;
- k) all employees of the Demerged Company engaged in the Industrial Business as on the Effective Date along with their employee benefit funds (whether managed through trusts, funds or otherwise) including those relating to provident fund, pensions, gratuity etc.; and
- l) all legal or other proceedings of whatsoever nature that form part of the Demerged Undertaking which are capable of being continued by or against the Resulting Company under Applicable Law.

Any question that may arise as to whether a specified asset or liability or employee pertains or does not pertain to the Demerged Undertaking of the Demerged company shall be decided by mutual agreement between the Board of Directors of the Demerged Company and Resulting Company.



“Effective Date” means the day on which last of the conditions specified in Clause 24 (Conditionality of the Scheme) of this Scheme are complied with or otherwise duly waived, as applicable, in accordance with this Scheme. Any reference in this Scheme to “upon the Scheme

becoming effective” or “effectiveness of the Scheme” or “upon the coming into effect of the Scheme” shall mean the Effective Date;

- 1.12 **“Ind AS”** means the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015;
- 1.13 **“IT Act”** means the Income-tax Act, 1961 and the rules made there under, as may be amended or re-enacted from time to time;
- 1.14 **“NCLT” or “Tribunal” or “National Company Law Tribunal”** means National Company Law Tribunal, Mumbai, having jurisdiction over the Demerged Company and the Resulting Company;
- 1.15 **“NSE”** means the National Stock Exchange of India Limited;
- 1.16 **“Parties”** shall collectively mean the Demerged Company and the Resulting Company; and **“Party”** means each of them, individually;
- 1.17 **“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Laws;
- 1.18 **“Person”** means an individual, a partnership, a corporation, a limited liability partnership, a company, an association, a trust, a joint venture, an unincorporated organization, associate of persons, or an Appropriate Authority and shall include their respective successors, successors-in-interest and in case of an individual shall include his/ her legal representatives, administrators, executors, permitted assignees, liquidators, and heirs and in case of a trust, shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;
- 1.19 **“Record Date”** means the date to be fixed by the Board of the Resulting Company in consultation with the Board of the Demerged Company for the purpose of determining the shareholders of the Demerged Company for issue of the Resulting Company New Equity Shares.



- 1.20 **“Registrar of Companies”** shall mean the relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;
- 1.21 **“Resulting Company”** or **“SKF Industrial”** means **SKF India (Industrial) Limited**, a company incorporated on 17 December 2024 under the Companies Act, 2013, with CIN: U28140PN2024PLC236396, and having its registered office at c/o SKF India Limited, Chinchwad Gaon, Chinchwad, Chinchwadgaon, Pune, Pune City, Maharashtra, India, 411033;
- 1.22 **“Resulting Company New Equity Shares”** means fully paid-up equity share(s) having face value of Rs. 10 (Rupees Ten) each issued by the Resulting Company as consideration in terms of Clause 11.1 of this Scheme;
- 1.23 **“Retained Business”** or the **“Automotive Business”** includes business activities in relation to the automotive sector and all the properties, units, divisions, undertakings, businesses, activities and operations of the Demerged Company, other than those comprised in the Demerged Undertaking;
- 1.24 **“Rs”** or **“Rupee(s)”** means Indian Rupee(s), the lawful currency of the Republic of India;
- 1.25 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this scheme of arrangement in the present form or as modified from time to time;
- 1.26 **“SEBI”** means the Securities and Exchange Board of India;
- 1.27 **“SEBI Circular”** means master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by SEBI, as amended from time to time, or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;
- 1.28 **“SEBI LODR Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 1.29 **“Share Entitlement Ratio”** shall have the meaning set out in Clause 11.1; and
- 1.30 **“Stock Exchanges”** means BSE and NSE collectively and Stock Exchange shall mean each of them, individually;



- 1.31 “Tax” means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, advance tax, goods and services tax or otherwise or attributable directly or primarily to Demerged Company and Resulting Company and all penalties, charges, costs and interest relating thereto.

2. **INTERPRETATIONS:**

In this Scheme, unless the context otherwise requires:

- a) words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- b) headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information and convenience only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same;
- c) the words “include” and “including” are to be construed without limitation;
- d) reference to a clause, paragraph or schedule is a reference to a clause, paragraph or schedule of this Scheme;
- e) reference to any Law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder.

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

- 3.1. The Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the NCLT or otherwise or may as per Clause 22 of this Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.
- 3.2. Any reference in this Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “upon the coming into effect of the Scheme” shall mean the Effective Date.



4. SHARE CAPITAL

- 4.1. The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on 20 December 2024 is as under:

Particulars	Amount in (INR)
Authorised Capital 10,00,00,000 Equity Shares of INR 10/- each	100,00,00,000
TOTAL	100,00,00,000
Issued, Subscribed and fully paid-up share capital 4,94,37,963 Equity Shares of INR 10/- each, fully paid up	49,43,79,630
TOTAL	49,43,79,630

As on the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the issued, subscribed and paid-up share capital of the Demerged Company.

- 4.2. The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on 20 December 2024 is as under:

Particulars	Amount in (INR)
Authorised Capital 1,50,000 Equity Shares of INR 10/- each	15,00,000
TOTAL	15,00,000
Issued, Subscribed and fully paid-up share capital 10,000 Equity Shares of INR 10/- each, fully paid up	100,000
TOTAL	100,000

The entire issued, subscribed and paid-up equity share capital of Resulting Company has been held by the Demerged Company and its nominees and the Resulting Company is a wholly owned subsidiary of the Demerged Company.

As on the date of Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the issued, subscribed and paid-up share capital of the Resulting Company.



**PART B: DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED
COMPANY INTO THE RESULTING COMPANY**

**5. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE
DEMERGED COMPANY TO THE RESULTING COMPANY**

5.1. Upon coming into effect of the Scheme and with effect from the Appointed Date, and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the IT Act, the Demerged Undertaking including all assets, Permits, contracts, liabilities, loan, duties, obligations etc. shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis, so as to become, as and from the Appointed Date, undertaking including the assets, Permits, contracts, liabilities, loan, duties, obligations etc. of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

5.2. Without prejudice to the generality of the provisions of Clause 5.1 above, the manner of transfer of the Demerged Undertaking under this Scheme, is as follows:

5.2.1. Upon coming into effect of the Scheme and with effect from the Appointed Date, the assets and properties forming part of the Demerged Undertaking which are movable and tangible in nature and all intangible assets, including but not limited to intellectual property and intellectual property rights and any applications for the same, brands, trademarks forming part of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and such other industrial and intellectual property rights of whatsoever nature or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company by operation of law and without any other or further order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly.



5.2.2. Upon the Scheme becoming effective and with effect from the Appointed Date, the moveable assets of the Demerged Undertaking other than those referred to in Clause 5.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, earnest monies, receivables, bills, credits, 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, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

5.2.3. Upon coming into effect of the Scheme and with effect from the Appointed Date, the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, whether freehold or leasehold (including but not limited to land, buildings, structures standing thereon, sites, premises (whether residential, commercial, industrial or otherwise) tenancy rights related thereto and immovable property and any other document of title, rights, interest and easements in relation thereto) and any documents of title, rights and easements in relation thereto, shall be and stand transferred to and be vested in the Resulting Company, without any further act or deed done by the Demerged Company or the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of the Resulting Company shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on the part of the Resulting Company.

5.2.4. Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land, buildings, premises (whether residential, commercial, industrial or otherwise) situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter-alia*, payment of stamp duty and transfer to the Resulting Company, if the Resulting



Company so decides, the Parties 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 favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Laws), 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.

5.2.5. The Demerged Company and the Resulting Company shall provide / extend to each other all co-operation, support, assistance including making, signing, executing, submitting, presenting, filing all documents (including but not limited to all letters, forms, affidavits, papers, applications, consents, undertakings, bonds, indemnities), in matters pertaining to all immovable properties comprised in the Demerged Undertaking or any part thereof for obtaining all approvals, clearances, sanctions, permissions, consents, no objection certificates, etc. of the Appropriate Authorities for effectually transferring such immovable properties in favour of the Resulting Company and updating the land revenue records, records of the municipal corporation, municipal council, gram panchayat, concerned local / planning authorities, utility service providers, and other concerned authorities / bodies.

5.2.6. Upon the Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Company relating to the Demerged Undertaking shall also, under the provisions of Section 230 to Section 232 and other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to and be deemed to be transferred to the Resulting Company and shall thereupon become the debts, liabilities, contingent liabilities, duties and obligations of Resulting Company which it undertakes to meet, discharge and satisfy to the exclusion of Demerged Company such that Demerged Company shall in no event be responsible or liable in relation to any such liabilities. The liabilities, obligation, etc. relating to Demerged Undertaking shall include:

5.2.6.1. the debts, liabilities obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking; and



5.2.6.2. specific loans or borrowings, if any, raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking;

5.2.7. The past track record of the Demerged Company relating to the Demerged Undertaking, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes, including for the purposes of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

5.2.8. Notwithstanding the generality of the foregoing provisions, all electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Demerged Undertaking, together with security deposits and all other advances paid, shall stand transferred in favour of the Resulting Company on the same terms and conditions by operation of law and without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Resulting Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date occurs. The Resulting Company shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such companies, boards, agencies and authorities in respect of the Demerged Undertaking.

5.2.9. On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, pertaining to the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate such bank accounts of the Demerged Company, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be credited to the account of the Resulting Company.



5.2.10. The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 5 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned Registrar of Companies or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Demerged Undertaking transferred to and registered in, the name of the Resulting Company, as per Applicable Law.

6. EMPLOYEES

- 6.1 Upon the Scheme being effective, all the employees of the Demerged Company in respect of the Demerged Undertaking, who are in service on the date immediately preceding the Effective Date shall be deemed to be employed in the Resulting Company on such date and such employees shall be employed with the Resulting Company without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Demerged Company as on the said date.
- 6.2 The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with Applicable Laws and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.
- 6.3 In so far as the existing benefits or funds created by the Demerged Company for the employees of the Retained Business of the Demerged Company are concerned, the same shall continue and the Demerged Company shall continue to contribute to such benefits or funds in accordance



with the provisions thereof, and the Resulting Company shall have no liability in respect thereof.

7. LEGAL PROCEEDINGS

- 7.1 Upon the coming into effect of this Scheme, all suits, actions, proceedings, show cause notices, demands, settlements, etc. relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.
- 7.2 The Resulting Company: (a) shall be substituted in place of the Demerged Company or added as party to such proceedings relating to the Demerged Undertaking; and (b) shall prosecute or defend such proceedings at its own cost and the liability of the Demerged Company shall consequently stand nullified.
- 7.3 It is clarified that except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any proceedings relating to the Demerged Undertaking that stand transferred to the Resulting Company.
- 7.4 After the Appointed Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 7.1 above, it shall be transferred to the Resulting Company and if for any reason it is not feasible to do so and if so requested by the Resulting Company and the Demerged Company shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all actual liabilities and obligations incurred by the Demerged Company in respect thereof and to the extent relatable or allocable to the Demerged Undertaking.
- 7.5 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 7.1 above and to the extent feasible, transferred to its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.

In the event of any difference or difficulty on whether any specific legal or other proceedings relates to the Demerged Undertaking or not, the decision of the Board of Directors of the



Demerged Company and Resulting Company, as mutually agreed, in this regard shall be conclusive and binding on the Demerged Company and Resulting Company.

8. CONTRACTS, DEEDS, ETC

- 8.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature relating to the Demerged Undertaking and to which the Demerged Company is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company the Resulting Company had been a party thereto. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing.
- 8.2 On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and issue credit notes on behalf of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.

9. PERMITS

- 9.1. Upon effectiveness of the Scheme and with effect from the Appointed Date, all Permits of the Demerged Undertaking (including without limitation the environmental Permits and the Permits for operation), shall be deemed to be transferred to and vested in the Resulting Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the name of the Resulting Company on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations pertaining to the Demerged Undertaking in the Resulting Company without any hindrance and the Permits shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company by operation of law and without any further act or deed and shall be appropriately mutated by the Appropriate



Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company.

- 9.2. Upon effectiveness of the Scheme and with effect from the Appointed Date, the benefit of all Permits pertaining to the Demerged Undertaking shall be deemed to have been assigned, transferred and vested to the Resulting Company by operation of law and without any further act or deed and other order to this effect, stand assigned, transferred and vested into and become available to the Resulting Company.

10. TAXES/ DUTIES/ CESS ETC.

- 10.1. The Resulting Company will be the successor of Demerged Company vis-a-vis the Demerged Undertaking. Hence, it will be deemed that the benefits of any Tax credits whether central, state, or local, availed vis-a-vis the Demerged Undertaking and the obligations, if any, for payment of Taxes on any assets of the Demerged Undertaking shall be deemed to have been availed by Resulting Company, or as the case may be deemed to be the obligation of Resulting Company.
- 10.2. With effect from the Appointed Date and upon the Scheme becoming effective, all Taxes, duties, cess, receivables/ payables by Demerged Company relating to the Demerged Undertaking including all or any refunds/ credits/ claims / incentives/ export benefits/ Tax losses/ unabsorbed depreciation/ deferrals relating thereto shall be treated as the assets/ liability or refund/ credit/ claims/ incentives/ export benefits/ Tax losses/ unabsorbed depreciation, as the case may be, of Resulting Company.
- 10.3. With effect from the Appointed Date and upon the Scheme becoming effective, the Resulting Company shall be entitled to claim deduction with respect to items such as provisions, expenses, etc. in relation to the Demerged Undertaking disallowed in earlier years in the hands of the Demerged Company, which may be allowable in accordance with provisions of IT Act on or after the Appointed Date.
- 10.4. Demerged Company and Resulting Company are expressly permitted to revise their Tax returns including goods and service tax returns, customs duty, Tax deducted at source ("TDS") certificates/ returns, Tax collected at source ("TCS") certificates/ returns and to claim refund, advance Tax, credits, excise and service tax credits, set off, payment of taxes or duties under



protest, etc. on the basis of the accounts of the Demerged Undertaking as vested with Resulting Company upon coming into effect of this Scheme.

- 10.5. Any refund or credits, under the direct or indirect Tax laws or other Applicable Laws or regulations dealing with Taxes, duties and levies due to Demerged Undertaking of Demerged Company consequent to the assessment made on the Demerged Company (including any refund for which no credit is taken in the accounts of the Demerged Company) as on the date immediately preceding the Appointed Date, including such credits accrued after Appointed Date till Effective Date, shall also belong to and be received by Resulting Company upon the Scheme becoming effective.
- 10.6. The Tax payments (including, without limitation income tax, goods & service tax, customs duty, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of Tax deducted at source, Tax collected at source, advance Tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the Demerged Company with respect to the Demerged Undertaking after the Appointed Date, shall be deemed to be paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 10.7. Upon the Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, goods and service tax, Cenvat, Customs, VAT, Sales Tax, Service Tax etc. relating to the Demerged Undertaking to which Demerged Company is entitled to, as on the Appointed Date, shall be available to and vest in Resulting Company, without any further act or deed.
- 10.8. The Board of Directors of Demerged Company shall be empowered to determine if any specific Tax liability or any Tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to Resulting Company.

11. CONSIDERATION FOR THE DEMERGER

- 11.1. Upon the Scheme becoming effective and with effect from the Appointed Date, and in consideration of the transfer and vesting of the Demerged Undertaking by the Demerged Company to the Resulting Company, the Resulting Company shall, without any further application, act or deed, issue and allot equity shares, credited as fully paid-up, to the extent indicated below, to the shareholders of the Demerged Company, holding fully paid-up equity shares in the Demerged Company and whose names appear in the register of shareholders and



records of the depository as shareholders of the Demerged Company as on the Record Date, as under:

"1 (One) fully paid-up equity share of INR 10/- (Indian Rupees Ten only) each of the Resulting Company for every 1 (One) fully paid-up equity share of INR 10/- (Indian Rupees Ten only) each held in the Demerged Company." ("Share Entitlement Ratio")

The equity shares of the Resulting Company to be issued pursuant to this Clause 11.1 shall be referred to as "**Resulting Company New Equity Shares**".

- 11.2. The Resulting Company shall, and to the extent required, take all the necessary steps and approvals required to increase its authorised share capital on or before the Effective Date in an appropriate manner so as to enable it to issue the Resulting Company New Equity Shares in the manner provided herein.
- 11.3. It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the alteration of the memorandum of association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company shall pay the requisite stamp duty and Registrar of Companies fees and shall file the required returns/ information/ amended copy of the memorandum of association with the Registrar of Companies to give effect to the alteration in the authorised share capital.
- 11.4. The fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board of the Resulting Company in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company in proportion to their respective fractional entitlements so sold by the trustee.
- 11.5. The Resulting Company New Equity Shares to be issued and allotted to the shareholders of the Demerged Company as above shall be subject to the memorandum of association and articles of association of the Resulting Company and shall rank pari passu in all respects with the existing equity shares of the Resulting Company in all respects including with respect to dividend, bonus, rights shares and voting rights. The holders of the equity shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise



in this Scheme, continue to enjoy their existing rights under their respective articles of association.

- 11.6. The Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form (if any) shall provide such confirmation, information and details as may be required, relating to his/ her/ its account with a depository participant, to the Resulting Company to enable it to issue the Resulting Company New Equity Share(s) in dematerialised form.
- 11.7. For the purpose of allotment of the Resulting Company New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Demerged Company holds shares in physical form, the Resulting Company shall deal with the relevant shares in such manner as they deem fit and in the best interest of such eligible shareholder, including by way of issuing the Resulting Company New Equity Share(s) in dematerialised form to a trustee nominated by the Board of the Resulting Company ("Trustee of the Resulting Company") who shall hold these equity shares in trust for the benefit of such shareholder. The Resulting Company New Equity Share(s) held by the Trustee of the Resulting Company for the benefit of such eligible shareholders shall be transferred to the respective eligible shareholder once they provide details of his/her/its demat account to the Trustee of the Resulting Company, along with such other documents as may be required by the Trustee of the Resulting Company.
- 11.8. The issue and allotment of the Resulting Company New Equity 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 its shareholders and as if the procedure laid down under the Act and such other Applicable Laws, were duly complied with. It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company New Equity Shares under applicable provisions of the Act.
- 11.9. The Resulting Company New Equity Shares to be issued by the Resulting Company in respect of the equity shares of the Demerged Company held in the unclaimed suspense account and suspense escrow account shall be credited to a new unclaimed suspense account and suspense escrow account respectively, created for shareholders of the Resulting Company.



- 11.10. The Resulting Company New Equity Shares to be issued by the Resulting Company in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund.
- 11.11. The Resulting Company New Equity Shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall pending allotment or settlement of dispute by order of the NCLT or the Court or otherwise, be held in abeyance by the Resulting Company, or shall be dealt with as provided under the Applicable Laws.
- 11.12. Without prejudice to Clause 11.11 above, as and when the Demerged Company allots its equity shares to its shareholders whose right to subscribe to their entitlement under the rights issue of the Demerged Company was kept in abeyance, the Resulting Company shall, upon receipt of the confirmation from the Demerged Company together with relevant details of the shareholders, issue and allot Resulting Company New Equity Shares in terms of Clause 11.1 of the Scheme to such shareholders of the Demerged Company in the proportion of such shares of the Demerged Company kept in abeyance as on the Record Date.
- 11.13. In the event, the Demerged Company and/ or the Resulting Company restructure their share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio, as per Clause 11.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions, without the requirement of any further approval from the shareholders of the Demerged Company and/ or the Resulting Company or Appropriate Authority.
- 11.14. The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of the SEBI Circular and other relevant provisions as may be applicable. The Resulting Company New Equity Shares allotted by the Resulting Company in terms of Clause 11.1 above, pursuant to this Scheme, shall remain frozen in the depository system until listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.



11.15. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges.

11.16. The Resulting Company will not issue/reissue any shares, not covered under this Scheme, until the date of listing of the Resulting Company on the BSE and NSE pursuant to the Scheme.

12. ACCOUNTING TREATMENT

The Demerged Company and Resulting Company shall comply with generally accepted accounting practices in India, provisions of the Companies Act, 2013 and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

In the books of the demerged company

With effect from the Appointed Date and upon Part B of the Scheme coming into effect, the Demerged Company shall account for the demerger in its books of account in the following manner:

- 12.1. The Demerged Company shall de-recognize the carrying values of the tangible assets, intangible assets, and other assets and liabilities as on the Appointed Date, that are held in and /or transferred to Resulting Company pursuant to this Scheme at the respective carrying values; and
- 12.2. The net amount so de-recognised and the adjustment thereof against retained earnings will be presented separately in the financial statements as impact of demerger.

In the books of the Resulting Company

With effect from the Appointed Date and upon Part B of the Scheme coming into effect, the Resulting Company shall account for the demerger in its books of account in the following manner:

Notwithstanding anything to the contrary contained in any other clause in the Scheme, "Resulting Company" shall give effect to the Scheme in the books of account in accordance



with the "Pooling of Interest" method as laid down in Appendix C of Indian Accounting Standards ("Ind AS") 103 – Business Combinations, prescribed under Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standard) Rules, 2015 (as amended) and the generally accepted accounting principles in India.

- 12.4. The Resulting Company shall record all assets, liabilities, and reserves/retained earnings, pertaining to the Demerged Undertaking vested in it pursuant to this Scheme at their respective book values and in the same form and manner as appearing in the books of the Demerged Company.
- 12.5. Pursuant to the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, the inter-company balances, if any, between the Resulting Company and the Demerged Undertaking of the Demerged Company shall stand cancelled and there shall be no further obligation in that behalf.
- 12.6. The difference between (A) the book value of assets minus liabilities and reserves/retained earnings, if any, recorded in the books of the Resulting Company as per Clause 12.4 above, and (B) the value of the Resulting Company New Equity Shares issued and allotted to the shareholders of the Demerged Company pursuant to Clause 11.1 of the Scheme (number of Resulting Company New Equity Shares issued multiplied by face value per Resulting Company New Equity Shares) as consideration, if any, shall be credited to the capital reserve account of the Resulting Company in case of a credit. The deficit, if any, arising shall be debited to the business reconstruction reserve account. The balance in this account shall be presented as part of reserves and a note explaining the nature of this account shall be given in the financial statements of the Resulting Company.
- 12.7. If the accounting policies adopted by the Resulting Company are different from those adopted by the Demerged Company, the assets, liabilities and reserves/retained earnings of the Demerged Undertaking shall be accounted in the books of the Resulting Company adopting uniform accounting policies consistent with the accounting policies followed by the Resulting Company; and
- 12.8. The comparative financial information in the financial statements of the Resulting Company shall be restated as if the demerger has occurred from the beginning of the comparative period presented or the date of incorporation of the Resulting Company, whichever is later.



13. REDUCTION AND CANCELLATION OF ENTIRE PRE-SCHEME SHARE CAPITAL OF THE RESULTING COMPANY

- 13.1. Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company shall stand cancelled and reduced, without any consideration and without any further act, instrument or deed, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme and the Parties shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Laws separately. The aforesaid reduction of capital does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.
- 13.2. The Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the cancelled shares of the Resulting Company and credit capital reserve for the same amount.
- 13.3. 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 reduction of the share capital of the Resulting Company under applicable provisions of the Act.
- 13.4. Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

14. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 14.1. With effect from the date of approval of this Scheme by the respective Boards of the Parties and up to and including the Effective Date:
- 14.1.1 The Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto; and
- 14.1.2 The Resulting Company shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry



on and operate the Industrial Business that is being transferred and vested in terms of this Scheme.

14.1.3 The Resulting Company shall, if required and as may be agreed upon, also be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company may require for giving effect to the transfer of any part of the Demerged Undertaking (including any immovable property) pursuant to the Scheme, provided that any such consents, approvals and sanctions will be effective from the Effective Date.

15. SAVING OF CONCLUDED TRANSACTIONS

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

16. AMENDMENT TO ARTICLES OF ASSOCIATION OF THE RESULTING COMPANY

16.1. The articles of association of the Resulting Company, if required, shall stand amended and restated to comply with the provisions required for listed company.

16.2. The amendments pursuant to this Clause 16.1 shall become operative upon the effectiveness of the Scheme by virtue of the fact that the shareholders of the Resulting Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the articles of association of the Resulting Company and shall not be required to pass separate resolutions under Section 14 or any other applicable provisions of the Act.

17. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions/ power of attorney executed by the Demerged Company in relation to the Demerged Undertaking, as the case may be, as considered necessary by the Board of the Resulting Company in relation to the Demerged



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

18. RETAINED BUSINESS OF THE DEMERGED COMPANY

- 18.1 The Retained Business of the Demerged Company shall continue to belong to and be owned and managed by the Demerged Company. The Demerged Company shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Retained Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Retained Business of the Demerged Company.
- 18.2 If the Resulting Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Retained Business of the Demerged Company, the Resulting Company shall take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to replace the Demerged Company in such proceedings, the Resulting Company shall defend the same or deal with such demand at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

19. WRONG POCKET ASSETS

- 19.1. Subject to Clause 20 and unless otherwise specified in the terms of the Scheme, no part of the Demerged Undertaking shall be owned by the Demerged Company after the Effective Date pursuant to the Scheme. If any part of any of the Demerged Undertaking is inadvertently not transferred to the Resulting Company on the Effective Date pursuant to the Scheme, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the relevant Demerged Undertaking, as the case may be, is transferred to the Resulting Company promptly and for no further consideration, and without any Tax implications. The



Demerged Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company, for giving effect to this Clause.

19.2. No part of the Retained Business of the Demerged Company shall be transferred to the Resulting Company pursuant to the Scheme. If any part of the Retained Business of the Demerged Company is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Retained Business of the Demerged Company is transferred back to the Demerged Company, promptly and for no consideration, and without any Tax implications. The Resulting Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company for giving effect to this Clause.

19.3. If the Demerged Company realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Undertaking and shall be paid to the Resulting Company for no additional consideration, and without any Tax implications. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Retained Business of the Demerged Company, the Resulting Company shall immediately pay such amounts to the Demerged Company. Similarly, if the Demerged Company discharges any Demerged Undertaking liability after the Effective Date, the Resulting Company shall make payment of such amounts to the Demerged Company.



PART C: GENERAL TERMS AND CONDITIONS

20. RESIDUAL PROVISIONS

20.1. Notwithstanding anything contained in this Scheme, on or after the Effective Date, as the case may be, until any property, asset, contracts, Permits and rights and benefits arising therefrom pertaining to the Demerged Undertaking is transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, as may be applicable, in favour of the Resulting Company in full or in part, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the Permit as if it were the owner of the property or asset or as if it were the original party to the Permit. It is clarified that till entry is made in the records of the Appropriate Authorities, as may be applicable, and till such time as may be mutually agreed by the Parties, the Demerged Company will continue to hold the property and/or the asset, Permit and rights and benefits arising therefrom in full or in part, in trust for and on behalf of the Resulting Company.

20.2. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, Permits, rights, title, interest in or relating to such assets) or any contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred fully or in part to or vested fully or in part in the Resulting Company for any reason whatsoever:

20.2.1 The Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as their transfer or vesting in the Resulting Company is effected in full or in part;

20.2.2 The Demerged Company and the Resulting Company shall, however, between themselves, treat each other as if all contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking had been transferred to the Resulting Company on the Effective Date in full or in part;

20.2.3 The Resulting Company shall perform or assist the Demerged Company in performing all of the obligations under those contracts, deeds, bonds, agreements, schemes,



tenders, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date;

20.2.4 It is clarified that the Demerged Company and the Resulting Company may enter into contracts or arrangements, as may be required to give effect to the provisions of this Clause 20 and that any such transfer under the provisions hereof shall be deemed to be with effect from the Appointed Date as an integral part of the Scheme; and

20.2.5 The mechanism or arrangement between the Demerged Company and Resulting Company, pursuant to this Clause, after the Effective Date, shall be based on the following principles (i) the Demerged Company shall not be responsible for performance of any obligations or for any Demerged Undertaking liabilities and shall not be entitled to any rights or to receive any benefits whatsoever in relation to the Demerged Undertaking; (ii) the rights and liabilities in connection with the Demerged Undertaking, shall rest and be borne entirely and exclusively by Resulting Company, in each case, subject to any specific agreement executed by the Parties in accordance with Clause 20.3 below.

20.3. The Demerged Company and the Resulting Company may enter into appropriate contracts or arrangements, including *inter-alia*, for usage of infrastructural facilities, usage of assets (whether moveable or immovable) including intellectual property and services relating to information technology, legal, administrative, accounting, tax, treasury and any other shared services amongst others.

20.4. The approval of this Scheme by the shareholders of the Resulting Company and the Demerged Company and such other classes of Persons, if any, shall be deemed to constitute due compliance with Section 188 and any other applicable provisions of the Act, Regulation 23 and any other applicable provision of the SEBI LODR Regulations and the articles of association of the Resulting Company and the Demerged Company or otherwise for the purposes of this Scheme, and shall be applicable to the same extent to all matters arising or related to the Scheme and no further action under the Act, the SEBI LODR Regulations or the articles of association of the Resulting Company and the Demerged Company shall be separately required.

21. APPLICATION TO NCLT



The Companies shall make all necessary applications and petitions to NCLT under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as the case maybe, for

seeking sanction of the Scheme under the provisions of Applicable Laws and obtain such other approvals, as required by law.

22. MODIFICATION OR AMENDMENTS TO THE SCHEME

22.1. This Scheme has been approved by the Boards of Directors of the Demerged Company and the Resulting Company. The Demerged Company and the Resulting Company by their respective Board of Directors, may assent to any modifications/ amendments to the Scheme which the NCLT may make at the time of sanctioning the Scheme and which the Demerged Company and the Resulting Company may in their discretion accept, or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors).

22.2. The Demerged Company and the Resulting Company by their respective Board of Directors, acting jointly or individually as may be relevant, be and are hereby authorized to take all such steps or give any directions as may be necessary, desirable or proper to resolve any doubts, difficulties or questions 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.

23. DIVIDEND

23.1 Each of the Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

23.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies to demand or claim any dividends (other than unclaimed dividends) which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Companies, and subject to the approval, if required, of the respective shareholders of such Companies.

24. CONDITIONALITY OF THE SCHEME

24.1. This Scheme is and shall be conditional upon and subject to:

24.1.1 The Stock Exchanges having issued their observation/ no-objection letters as required under the SEBI LODR Regulations read with the SEBI Circular;



- 24.1.2 The Scheme being approved by the requisite majorities in number and value of such classes of Persons including the respective members and / or creditors of the Demerged Company and the Resulting Company as may be directed by the NCLT. Further, the Demerged Company shall comply with the provisions of e-voting as per SEBI Circular, as applicable, by obtaining approval of shareholders through e-voting. It is clarified that the provisions of Paragraph (I)(A)(10)(b) of the SEBI Circular in relation to obtaining approval of majority of public shareholders of the Demerged Company is not applicable to this Scheme;
- 24.1.3 The fulfilment, satisfaction or waiver (as the case may be) of any approvals or conditions mutually agreed by the Companies as required for completion of the transactions contemplated under this Scheme;
- 24.1.4 The Scheme being sanctioned by the NCLT under Section 230 to Section 232 of the Act; and
- 24.1.5 Certified or authenticated copies of the Order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Demerged Company and the Resulting Company.

25. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clauses not being obtained and / or the Scheme not being sanctioned by the Hon'ble NCLT or such other appropriate authority by 31 March 2026 or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting Company through their respective Board of Directors (and which the Board of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each Party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.



26. REVOCATION OF THE SCHEME

- 26.1. The Demerged Company and the Resulting Company through their respective Board of Directors are empowered and authorised, jointly, to withdraw this Scheme at any time prior to the Effective Date and the same shall not be construed as any non-compliance of the Act.
- 26.2. In the event of withdrawal of the Scheme under Clause 26.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

27. COSTS, CHARGES AND EXPENSES

All costs, charges, and expenses payable in relation to or in connection with and incidental to the completion of the transfer and vesting of the Demerged Undertaking in the Resulting Company, in pursuance of this Scheme including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne in a manner decided by the Boards of the Resulting Company and the Demerged Company.

28. SEVERABILITY

If any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to the Parties, in which case the Parties, acting through their respective Boards, shall attempt to bring about a modification in this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

[•][•][•][•][•]

