**SCHEME OF ARRANGEMENT**

**BETWEEN**

**PRICOL LIMITED**

**AND**

**PRICOL AUTOTECH LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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

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**(A) DESCRIPTION OF COMPANIES**

1. **Pricol Limited** ("**Demerged Company**"), is a company incorporated under the provisions of the Companies Act, 1956, having Corporate Identity Number L34200TZ2011PLC022194 and its registered office at 109, Race Course, Coimbatore - 641 018, Tamil Nadu, India. The Demerged Company is engaged in the business of manufacturing and selling of instrument clusters and other allied automobile components to Original Equipment Manufacturers (OEM) and replacement markets. The equity shares of the Demerged Company are listed on the Stock Exchanges (*as defined hereinafter*).

2. **Pricol Autotech Limited** ("**Resulting Company**") is a company incorporated under the provisions of the Act (*as defined hereinafter*), having Corporate Identity Number U26109TZ2026PLC038011 and its registered office at CPM Towers, 109 Racecourse, Behind HSBC Bank, Coimbatore Racecourse, Coimbatore South, Coimbatore – 641 018, Tamil Nadu. The Resulting Company is a wholly owned subsidiary of the Demerged Company. The Resulting Company is incorporated to be engaged in the business of manufacturing and/or distribution of electronic components catering to automotive as well as non-automotive applications.

**(B) OVERVIEW OF THE SCHEME**

1. This Scheme (*as defined hereinafter*) is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act and 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 shareholders of the Demerged Company, in consideration thereof; and

   (ii) reduction and cancellation of the entire paid-up share capital of the Resulting Company as on the Effective Date (*as defined hereinafter*).

2. This Scheme also provides for various other matters consequent and incidental thereto.

**(C) RATIONALE**

1. The proposed Scheme is expected to enable a clear segregation of the Demerged Undertaking and the Remaining Business of the Demerged Company, thereby allowing the Demerged Company and the Resulting Company to concentrate on their respective core activities, business priorities and commercial objectives.

2. The demerger of the DICVS Business is a strategic decision to create a simpler, sharper and more agile corporate entity, to meet the fast changing needs and technologies related to this business and its dynamic market realities. The Demerged Undertaking and the Remaining Business of the Demerged Company currently operates with differing customer needs, competitive dynamics, capital allocation and risk profiles. Over time with a well thoughtout and clear strategic intent, both the Demerged Undertaking and the Remaining Business of the Demerged Company have acquired sufficient scale and maturity to function more effectively as focused standalone businesses.

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3. The transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company pursuant to this Scheme would, *inter alia,* result in the following benefits for the Parties:

(i) Financial flexibility for each entity to pursue investment decisions aligned with their respective business portfolios and market requirements;

(ii) Reducing operational complexity to enable faster decision making and streamlining operations;

(iii) This demerger will provide each of the businesses with independent and dedicated management teams enabling clear market access and a clean operating model, allowing them to better leverage growth opportunities in the domestic and international markets;

(iv) Allow each entity to tailor its operational processes, policies, systems and governance to meet its respective business needs, resulting in improved execution, efficiency and agility; and

(v) Creation of focused and independent business platforms for the Demerged Undertaking and the Remaining Business of the Demerged Company, with clear and enhanced visibility of their respective stakeholder value, growth prospects and investment merits, improved ability to attract strategic and financial investors to meet the needs of the respective business, greater flexibility to access capital, pursue growth and technology opportunities and implement their respective long-term strategies.

4. The Scheme is in the interests of all stakeholders of the Demerged Company and the Resulting Company.

**(D) PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and implementation of this Scheme.

2. **PART II** deals with: (i) the 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 shareholders of the Demerged Company, in consideration thereof; and (ii) reduction and cancellation of the entire paid-up share capital of the Resulting Company as on the Effective Date.

3. **PART III** deals with the general terms and conditions applicable to this Scheme.

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## PART I

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

### 1. DEFINITIONS

1.1 In this Scheme: (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

"**Act**" means the Companies Act, 2013;

"**Applicable Law**" or "**Law**" means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-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;

"**Appointed Date**" means the opening business hours of April 1, 2027, or such other date as may be mutually agreed by the respective Board of the Parties;

"**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, Competition Commission of India, SEBI and the Tribunal; and

(iii) any Stock Exchange.

"**Board**" in relation to a Party, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors;

"**Demerged Company**" means Pricol Limited, a company incorporated under the Companies Act, 1956, having Corporate Identity Number L34200TZ2011PLC022194 and its registered office at 109, Race Course, Coimbatore - 641 018, Tamil Nadu, India;

"**Demerged Undertaking**" means the undertaking of the Demerged Company pertaining to the DICVS Business as on the Appointed Date and shall include (without limitation):

(i) all movable properties of the Demerged Company in relation to the DICVS Business including hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise,

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present, future, contingent, tangible or intangible, and associated capital costs, plant and equipment, furniture and fixtures, office equipment, vehicles, capital work in progress, trade receivables, advances, derivative contracts, inventories, security deposits, prepaid expenses, contract assets, title, interest, cash and bank balances, bills of exchange, or other financial or non-financial assets, funds, and all other services of every kind, nature and description whatsoever and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company pertaining to the DICVS Business;

(ii) all freehold immovable properties of the Demerged Company in relation to the DICVS Business as set out in **Schedule I** hereto, and land together with buildings and structures standing thereon (whether leasehold, leave and license, rights of way, tenancies or otherwise) including offices, warehouses, workshops, sheds, stores, storages, etc., benefits of any rental agreement for any use of premises which immovable properties are currently in use for the purpose of conducting DICVS Business and all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties. It is clarified that, in so far as the immovable property(ies) of the Demerged Company used for carrying out both, the Remaining Business of the Demerged Company as well as the DICVS Business, only such portion of the leased or owned immovable property(ies) utilised for carrying out the DICVS Business will stand transferred and/ or assigned, as the case may be, to the Resulting Company, as may be mutually agreed between the Demerged Company and the Resulting Company;

(iii) instrument clusters, connectivity modules, infotainment head units, display systems, vehicle domain controller, associated engineering and integration services, connected services platforms, remote diagnostics, vehicle tracking, fleet management solutions etc. pertaining to the DICVS Business;

(iv) investments in subsidiaries and joint ventures solely engaged in DICVS Business, if any;

(v) branches, liaison offices and representative offices abroad, solely engaged in the DICVS Business, if any;

(vi) Demerged Undertaking Liabilities;

(vii) all obligations and duties, both present and future (including obligations under any licenses or Permits or schemes) of every kind, nature and description whatsoever and howsoever arising, pertaining to the DICVS Business;

(viii) all books, records, files, papers, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, pertaining to the DICVS Business;

(ix) contracts, agreements, schemes, arrangements, Know Your Customer (KYC) details and any other instruments solely pertaining to the DICVS Business;

(x) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the DICVS Business;

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(xi) all Permits, quotas, incentives, powers, authorities, allotments, rights, benefits, advantages, pertaining to the DICVS Business;

(xii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames and trademarks (excluding 'Pricol') of the Demerged Company pertaining to the DICVS Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, sales and advertising materials, investor credit information, pricing information, and other records whether in physical or electronic form pertaining to DICVS Business;

(xiii) entire experience, credentials, past record and market share of the Demerged Company pertaining to the DICVS Business; and

(xiv) all employees engaged in the DICVS Business.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Parties;

"**Demerged Undertaking Liabilities**" means the liabilities as defined in Clause 4.7 of the Scheme;

"**DICVS Business**" means the business that focuses on smart mobility and integrated electronic solutions, offering products such as Driver Information Systems (including connected, electronic, mechanical and electro-mechanical instrument clusters), integrated infotainment systems, advanced e-cockpit solutions, connectivity solutions such as telematics, battery management systems, and a few sensors. These solutions cater to a wide range of vehicle segments, including two / three -wheelers, passenger vehicles, commercial vehicles, off-highway vehicles, and tractors;

"**Effective Date**" means the first day of the succeeding month in which last of the conditions specified in Clause 19 (Conditions Precedent) of this Scheme are complied with. References in this Scheme to the date of "**coming into effect of this Scheme**" or "**upon the Scheme becoming effective**" shall mean the Effective Date;

"**GST**" means the central tax as defined under the Central Goods and Services Tax Act, 2017, the integrated tax as defined under the Integrated Goods and Services Tax Act, 2017, the State tax as defined under State Goods and Services Tax statutes and the UTGST under the Union Territory Goods and Services Act, 2017;

"**Income Tax Act**" means the Income-tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof, for the time being in force, read with the relevant rules, regulations and/or circulars issued thereunder;

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

"**New Income Tax Act**" means the Income-tax Act, 2025, including any statutory modifications, re-enactments or amendments thereof, for the time being in force, read with the relevant rules, regulations and/or circulars issued thereunder;

"**Parties**" shall collectively mean the Demerged Company and the Resulting Company; and "**Party**" means each of them, individually;

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"**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 Law;

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

"**Record Date**" means the date to be fixed by the Board of the Demerged Company in consultation with the Board of the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issuance and allotment of the Resulting Company New Equity Shares;

"**Remaining Business of the Demerged Company**" means all other businesses, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than the Demerged Undertaking;

"**Resulting Company**" means Pricol Autotech Limited, a company incorporated under the Act, having Corporate Identity Number U26109TZ2026PLC038011 and having its registered office at CPM Towers, 109 Racecourse, Behind HSBC Bank, Coimbatore Racecourse, Coimbatore – 641 018, Tamil Nadu;

"**Resulting Company New Equity Shares**" means fully paid-up equity share(s) having face value of INR 1 (Rupee One only) each issued by the Resulting Company as consideration in terms of Clause 8.1 of this Scheme;

"**RoC**" means the relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;

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

"**SEBI**" means the Securities and Exchange Board of India;

"**SEBI Circular**" means the master circular issued by the SEBI bearing reference no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and any amendments thereof issued pursuant to Regulations 11, 37 and 94 of the SEBI LODR Regulations;

"**SEBI LODR Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"**Stock Exchanges**" means BSE Limited and National Stock Exchange of India Limited collectively and Stock Exchange shall mean each of them, individually;

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

"**Taxation**" or "**Tax**" or "**Taxes**" means all forms of direct and indirect 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, net wealth, 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, dividend distribution tax, advance tax, equalization levy, minimum alternate tax, goods and services tax, excise duty, value added tax, central sales tax, customs duty or otherwise or attributable directly or primarily to any of the Parties and all penalties, charges, cess, costs and interest relating thereto; and

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"**Tribunal**" means the Chennai Bench of the National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:

(i) reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions;

(ii) words denoting the singular shall include the plural and words denoting any gender shall include all genders;

(iii) headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same; and

(iv) reference to a document includes an amendment or supplement to, or replacement or novation of, that document.

## 2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on June 27, 2026, is as follows:

| Particulars | Rs. |
|---|---|
| **Authorised share capital** | |
| 79,45,00,000 equity shares of INR 1 each | 79,45,00,000 |
| **Total** | **79,45,00,000** |
| **Issued, subscribed and paid-up share capital** | |
| 12,18,81,498 equity shares of INR 1 each | 12,18,81,498 |
| **Total** | **12,18,81,498** |

2.2 The share capital of the Resulting Company as on June 27, 2026, is as follows:

| Particulars | Rs. |
|---|---|
| **Authorised share capital** | |
| 15,00,000 equity shares of INR 1 each | 15,00,000 |
| **Total** | **15,00,000** |
| **Issued, subscribed and paid-up share capital** | |
| 15,00,000 equity shares of INR 1 each | 15,00,000 |
| **Total** | **15,00,000** |

The entire share capital of the Resulting Company is held by the Demerged Company and its nominees.

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

The Scheme shall become effective from the Appointed Date but shall become operative from the Effective Date.

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**PART II**

**DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING**

## 4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

Upon coming into effect of the Scheme, 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 Income Tax Act and Section 2(35) of the New Income Tax Act, as applicable, all assets, Permits, contracts, liabilities, loans, duties, obligations and legal rights of the Demerged Undertaking 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 the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme. Without prejudice to the generality of this Clause, the manner of transfer of the Demerged Undertaking under this Scheme, is as follows:

4.1 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 (excluding 'Pricol') 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;

4.2 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 4.1 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, 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;

4.3 Upon the Scheme becoming effective and with effect from the Appointed Date, the freehold immovable properties as set out in **Schedule I**, and immovable properties, whether or not included in the books of the Demerged Company, whether freehold or leasehold (including but not limited to land, buildings, sites, tenancy rights related thereto and immovable property and any other document of title, rights, interest and easements in relation thereto), pertaining to the Demerged Undertaking, shall stand transferred to the Resulting Company by operation of law and without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that, in so far as the immovable property(ies) of the Demerged Company used

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for carrying out both, the Remaining Business of the Demerged Company as well as the Demerged Undertaking, only such portion of the leased or owned immovable property(ies) utilised for carrying out the Demerged Undertaking will stand transferred and/ or assigned, as the case may be, to the Resulting Company, as may be mutually agreed between the Parties;

4.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.3 above and Clause 4.5 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Parties shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents (including deeds of assignments or deeds of confirmation or deeds of declaration) as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.4 or Clause 4.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document (including deeds of assignments or deeds of confirmation or deeds of declaration) under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred by operation of law solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;

4.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Tamil Nadu, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company, if the Resulting Company so decides, the Demerged Company and/ or the Resulting Company may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease or deeds of confirmation or deeds of declaration, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;

4.6 For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and fulfil all obligations in relation to or applicable to all immovable properties including mutation and/or substitution of the ownership or the title to or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Resulting Company pursuant to the sanction of this Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution;

4.7 Upon the Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities (including employees related liabilities), loans, obligations and duties of the Demerged Company as on the Appointed Date and pertaining to the Demerged Undertaking ("**Demerged Undertaking Liabilities**") shall, by operation of law and without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date. The term 'Demerged Undertaking Liabilities' shall include:

4.7.1 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;

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4.7.2 the specific loans or borrowings utilized solely for the activities or operations of the Demerged Undertaking; and

4.7.3 in cases other than those referred to in Clauses 4.7.1 or 4.7.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

4.8 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements, leases and licenses for the purpose of carrying on the business of the Demerged Undertaking, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking, or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by operation of law pursuant to the order of the Tribunal sanctioning the Scheme be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority) of the Resulting Company. Such contracts, properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts, properties and rights described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if it were the Demerged Company. Upon effectiveness of the Scheme and with effect from the Appointed Date, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts, properties and rights pertaining to the Demerged Undertaking, shall be deemed to have been entered into and stand assigned, vested and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be the Demerged Company's substituted party or beneficiary or obligor thereto, it being always understood that the Resulting Company shall be the successor in the interest of the Demerged Company in relation to the properties or rights mentioned hereinabove;

4.9 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite 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 effect to the provisions of this Scheme. With effect from the Effective Date, 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 to carry out or perform all such formalities or compliances referred to above, on the part of the Demerged Company with respect to Demerged Undertaking;

4.10 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;

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4.11 It is clarified that all guarantees provided by the Demerged Company in respect of the Demerged Undertaking shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company;

4.12 Upon effectiveness of the Scheme and with effect from the Appointed Date, the Permits of the Demerged Undertaking (including without limitation the environmental permits and the permits for operation) shall 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;

4.13 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;

4.14 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;

4.15 Subsequent to the Effective Date, the Demerged Company may, at the request of the Resulting Company, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;

4.16 In so far as the encumbrances, if any, in respect of the Demerged Undertaking Liabilities are concerned such encumbrances shall, by operation of law and without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrances over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available

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as security in relation to such liabilities and the Demerged Company shall provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;

4.17 Subject to any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

4.18 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;

4.19 Upon effectiveness of the Scheme, the entire experience, credentials, past record and market share of the Demerged Company pertaining to the DICVS Business shall stand transferred to the Resulting Company; and

4.20 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, the Parties 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 trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC 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 and liabilities pertaining to the Demerged Undertaking transferred to and registered in, the name of the Resulting Company, as per Applicable Law.

## 5. EMPLOYEES

5.1 Upon effectiveness of the Scheme, all employees of the Demerged Company engaged in or in relation to the Demerged Undertaking shall become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company in relation to the Demerged Undertaking with any of the aforesaid employees representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company in relation to the Demerged Undertaking prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.

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

## 6. LEGAL PROCEEDINGS

6.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature (except proceedings under the Income Tax Act and New Income Tax Act, if any) by or against the Demerged Company pending and/or arising on or before the Effective Date or which may be instituted at any time thereafter and in each case 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 and shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.

6.2 The Resulting Company undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. The Parties shall make relevant applications and take all steps as may be required in this regard.

6.3 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income Tax Act and New Income Tax Act, if any), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company, all liabilities and obligations incurred by the Demerged Company in respect thereof.

6.4 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Resulting Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority in each case in relation to the Remaining Business of the Demerged Company, the Resulting Company shall take all such steps in the proceedings before the Appropriate Authority to replace itself with the Demerged Company. However, if the Resulting Company is unable to get the Demerged Company replaced in its place in such proceedings, the Resulting Company shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse to the Resulting Company, all liabilities and obligations incurred by the Resulting Company in respect thereof.

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## 7. TAXES

7.1 This Scheme has been drawn up to comply with the conditions relating to demerger as defined under Section 2(19AA) of the Income Tax Act and other applicable provisions of the Income Tax Act and Section 2(35) of the New Income Tax Act and applicable provisions of the New Income Tax Act, as applicable. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the said section of the Income Tax Act and the New Income Tax Act, as applicable, shall prevail and the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.

7.2 If the Demerged Company is entitled to any unutilized Tax credits or benefits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax Law or Applicable Law, the Resulting Company shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised Tax credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company in accordance with Applicable Law.

7.3 Upon the Scheme becoming effective, all taxes paid by the Demerged Company pertaining to the Demerged Undertaking for the period after the Appointed Date and forming part of Demerged Undertaking, shall be deemed to have been paid for and on behalf of and to the credit of the Resulting Company and the Resulting Company shall be entitled to take credit for such Taxes notwithstanding that certificates/ challans for the said Taxes are in the name of the Demerged Company and not in the name of the Resulting Company. Further, the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon submission of relevant proof and documents to the said authorities. However, the tax liabilities and tax demands or refund received or to be received by the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Undertaking shall not be transferred as part of the Demerged Undertaking to the Resulting Company.

7.4 The Demerged Company shall be liable for any tax payable to Appropriate Authorities under the Tax Laws and shall be entitled to any tax refunds under the Tax Laws, which in each case, arise from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date.

7.5 If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation, if any), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax Law or Applicable Law, the Resulting Company subsequent to the Effective Date shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company in accordance with Applicable Law.

7.6 Upon the Scheme becoming effective, the Demerged Company and/or the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may

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have expired but without incurring any liability on account of interest, penalty or any other sum to claim refunds, advance tax credits, GST, excise and service tax credits, set off, etc., pursuant to the Scheme coming into effect. In addition to the above, all deduction otherwise admissible to the Demerged Company in relation to the Demerged Undertaking, payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source shall be eligible for deduction to the Resulting Company, upon fulfilment of the applicable conditions under the Applicable Law.

7.7 Any actions taken by the Demerged Company to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date up to the Effective Date shall be considered as adequate compliance by the Demerged Company with such requirements under the Tax Laws and such actions shall be deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.

7.8 Notwithstanding any other provision of this Scheme, any unutilized GST credits pertaining to the Demerged Undertaking and available in the electronic input GST credit ledger of the Demerged Company maintained by Goods and Services Tax Network (GSTN) or as per the Demerged Company books of account, whichever is lower, shall be transferred by the Demerged Company to the Resulting Company in accordance with Applicable Laws, whereby the Demerged Company and the Resulting Company shall take such actions as may be necessary under Applicable Law to effect such transfer. GST credits and GST liability pertaining to activities or operations of the Demerged Undertaking between the Appointed Date and the Effective Date shall be dealt with in accordance with the Applicable Laws.

7.9 All the Tax compliances/ payments (including but not limited to income tax, service tax, excise duty, central sales tax, applicable state value added tax etc) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits, provisional payments, payment under protest, or otherwise, howsoever, by the Demerged Company in relation 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.

7.10 If the Demerged Company makes any payment to discharge any direct Tax liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Demerged Undertaking on or after the Appointed Date, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment. In case the Resulting Company makes any payment to discharge any direct Tax liabilities, if any, under Tax Laws that relate exclusively or predominantly to the activities or operations of the Demerged Undertaking prior to the Appointed Date, the Demerged Company shall promptly pay or reimburse the Resulting Company for such payment.

**8. CONSIDERATION AND DISCHARGE OF CONSIDERATION**

8.1 Upon effectiveness of this Scheme and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company whose name is recorded in the register of members 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 the Resulting Company having face value of INR 1 (Rupees One only) each for every 1 (One) fully paid-up equity share of INR 1 (Rupees One only) each of the Demerged Company.

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The equity shares of the Resulting Company to be issued pursuant to this Clause 8.1 shall be referred to as "**Resulting Company New Equity Shares**".

8.2 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the Resulting Company New Equity Shares.

8.3 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 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.

8.4 The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of the Resulting Company New Equity Shares in terms of this Scheme.

8.5 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 Law, were duly complied with. It is clarified that the approval of the shareholders of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company New Equity Shares under applicable provisions of the Act.

8.6 The 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 otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.

8.7 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.

8.8 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.

8.9 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 8.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.

8.10 Upon the Scheme becoming effective but prior to the issuance of the Resulting Company New Equity Shares, the Resulting Company shall increase its authorised share capital in an appropriate manner so as to enable it to issue the Resulting Company New Equity Shares in the manner provided herein.

8.11 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

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Resulting Company New Equity Shares allotted by the Resulting Company in terms of Clause 8.1 above, pursuant to this Scheme, shall remain frozen in the depository system till 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.

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

**9. ACCOUNTING TREATMENT**

9.1 **Accounting Treatment in the books of the Demerged Company**

Upon coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account as per the Indian accounting standards and other generally accepted accounting principles in India in the following manner:

9.1.1 The Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Demerged Undertaking transferred to the Resulting Company from its books of accounts;

9.1.2 The investment in the equity share capital of the Resulting Company held by the Demerged Company, if any, as appearing in the books of account of the Demerged Company shall stand cancelled; and

9.1.3 The surplus/deficit if any, arising between the carrying value of assets and liabilities pertaining to the Demerged Undertaking transferred to the Resulting Company, after providing for adjustments as stated in Clause 9.1.2 above, shall be adjusted firstly against the total amount lying to the credit of the capital reserve if any, thereafter with the total amount lying to the credit of the securities premium if any, and remaining balance if any against the amount lying to the credit of retained earnings of the Demerged Company.

9.2 **Accounting Treatment in the books of the Resulting Company**

Upon coming into effect of the Scheme and with effect from the Appointed Date, the Resulting Company shall account for the Demerged Undertaking in its books of account in accordance with principles laid down in Appendix C to the Indian Accounting Standard 103 'Business Combination' in the following manner:

9.2.1 The Resulting Company shall record the assets, liabilities and reserves pertaining to the Demerged Undertaking transferred to and vested in it, pursuant to the Scheme, at the same value as appearing in the books of account of the Demerged Company. The identity of the reserves shall be preserved and shall appear in the books of account of the Resulting Company in the same form and manner, in which they appeared in the books of account of the Demerged Company;

9.2.2 The Resulting Company shall credit the share capital in its books of account with the aggregate face value of the Resulting Company New Equity Shares issued to the shareholders of the Demerged Company pursuant to Clause 8.1 of the Scheme;

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9.2.3 The shareholding of the Demerged Company in the Resulting Company, if any, shall stand cancelled;

9.2.4 The surplus/deficit, if any, arising between the carrying value of assets and liabilities and reserves pertaining to the Demerged Undertaking and the face value of the Resulting Company New Equity Shares issued by the Resulting Company, after providing for adjustments as stated in Clause 9.2.3 above, shall be adjusted in capital reserve; and

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

## 10. REDUCTION AND CANCELLATION OF ENTIRE SHARE CAPITAL OF THE RESULTING COMPANY

10.1 Any time after approval of the Scheme by the Board of the Parties and prior to effectiveness of the Scheme, the Demerged Company may *inter alia*, for meeting its day to day expenditure and business affairs, may subscribe to equity shares of the Resulting Company for an aggregate consideration not exceeding INR 5,00,00,000 (Rupees Five Crores only).

10.2 Upon allotment of the Resulting Company New Equity Shares, the entire paid-up share capital of the Resulting Company as on the Effective Date of the Scheme ("**Resulting Company Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme.

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

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

10.5 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.

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**PART III**

**GENERAL TERMS & CONDITIONS**

**11. REMAINING BUSINESS OF THE DEMERGED COMPANY**

11.1 The Remaining 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 Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.

11.2 Without prejudice to the provisions of this Scheme, upon effectiveness of the Scheme, if any part of the Demerged Undertaking is not transferred to the Resulting Company, the Demerged Company, shall take such actions as may be reasonably required to ensure that such part of the Demerged Undertaking is transferred to the Resulting Company promptly, at the cost of the Resulting Company and for no further consideration.

11.3 Further, no part of the Remaining Business of the Demerged Company shall be transferred to the Resulting Company pursuant to the demerger. If any part of the Remaining 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 Remaining Business of the Demerged Company is transferred back to the Demerged Company, promptly, at the cost of the Demerged Company and for no consideration.

**12. 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.

**13. FACILITATION PROVISIONS**

13.1 In order to facilitate implementation of the Scheme, continuity of operations of the Demerged Undertaking and the Remaining Business of the Demerged Company, seamless transition and improvement of efficiencies of their respective businesses, notwithstanding anything to the contrary contained in this Scheme, the Demerged Company and the Resulting Company, may, as determined by their respective Boards or committee:

13.1.1 provide each other with financial support, collateral, or any other form of assistance and may enter into such arrangements with each other as may be necessary. For this purpose, the Demerged Company and the Resulting Company, *inter alia*, may enter into certain arrangements, agreements etc. (whether in writing or otherwise);

13.1.2 each of the Demerged Company and the Resulting Company, as the case may be, use office space, land, buildings, manufacturing facilities, and infrastructure facilities, research and development, information technology services, business strategy services, payroll services, logistics services, security services, legal services, administrative services, shared services and other support services, trademarks and other intellectual property rights forming part of the Demerged Undertaking (including those that are jointly used by the Remaining Business of the Demerged Company and the Demerged Undertaking), which are required for the operation of or otherwise, to enable continuity of operations of the Remaining

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Business of the Demerged Company or the Demerged Undertaking, as the case may be, for such period and on such terms as may be mutually determined by the Demerged Company and the Resulting Company, and where relevant, their affiliate companies; and

13.1.3 all arrangements, contracts, and agreements of whatsoever nature executed by the Demerged Company and its related parties in relation to the Demerged Undertaking shall, as an integral part of this Scheme, be deemed to have been transferred, novated, and executed by the Resulting Company, as if such arrangements, contracts, or agreements had originally been executed by the Resulting Company, and the Resulting Company may, if required, enter into fresh arrangements, contracts, or agreements with such related parties.

13.2 The arrangements entered into or proposed to be entered into pursuant to Clause 13.1 above shall be deemed to have been executed as an integral part of this Scheme to facilitate and ensure effective implementation of the demerger. In this regard, the approval of the Board, Audit Committee, and shareholders of the Demerged Company and the Resulting Company, as applicable, to this Scheme shall be deemed to constitute their approval under Section 188 of the Act and Regulation 23 of the SEBI LODR Regulations, and no separate approval shall be required from the Demerged Company or the Resulting Company.

**14. 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 the Resulting Company.

**15. BUSINESS UNTIL THE EFFECTIVE DATE**

15.1 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:

15.1.1 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

15.1.2 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 the relevant business that is being transferred and vested in terms of this Scheme, including giving effect to the Scheme.

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

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

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

15.2.3 All loans raised and all liabilities and obligations incurred by the Demerged Company in relation to the 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, and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.

**16. PROPERTY IN TRUST**

16.1 Notwithstanding anything contained in this Scheme, on or after the Effective Date, as the case may be, until any property, asset, license, approval, permission, contract, agreement 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, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities 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, license, permission, approval, contract or agreement and rights and benefits arising therefrom, in trust for and on behalf of the Resulting Company.

16.2 It is further clarified that, if any asset, liability, right, obligation, contract, Permit, licence, approval, or any other property forming part of the Demerged Undertaking is found to have been retained by the Demerged Company, or if any asset, liability, right, obligation, contract, Permit, licence, approval, or any other property forming part of the Remaining Business of the Demerged Company is found to have been transferred to the Resulting Company, in either case, whether by inadvertence, mutual oversight, or any other reason whatsoever, the same shall be transferred or re-transferred, as the case may be, to the rightful party, without any further act or deed and without any additional consideration, upon the discovery of such incorrect retention or transfer, and both the Demerged Company and the Resulting Company shall execute all such documents and take all such steps as may be necessary to give effect to such transfer or re-transfer.

**17. APPLICATIONS/PETITIONS TO THE TRIBUNAL**

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

**18. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

18.1 The Boards of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate.

18.2 The Boards of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

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18.3 For the purposes of giving effect to this Scheme or to any modification hereof, the Board of the Demerged Company or the Board of the Resulting Company, acting jointly or individually, as may be relevant, give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on the Resulting Company as if the same were specifically incorporated in this Scheme.

**19. CONDITIONS PRECEDENT**

19.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:

19.1.1 approval of the Scheme by the requisite majority of each class of shareholders and such other classes of Persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;

19.1.2 the Demerged Company complying with other provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting;

19.1.3 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties; and

19.1.4 certified copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties.

19.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Law.

19.3 On the approval of this Scheme by the shareholders of the Parties and such other classes of Persons of the Parties, if any, pursuant to Clause 19.1.1, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

**20. WITHDRAWAL OF THIS SCHEME AND NON RECEIPT OF APPROVALS**

20.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

20.2 In the event of withdrawal of the Scheme under Clause 20.1 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.

20.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

**21. COSTS AND EXPENSES**

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be paid by the Resulting Company.

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**SCHEDULE I - LIST OF FREEHOLD IMMOVABLE PROPERTIES FORMING PART OF THE DEMERGED UNDERTAKING**

List of freehold immovable properties of the Demerged Company that will be transferred as a part of the Demerged Undertaking includes but is not limited to the following:

| Sr. No. | Address | Approximate Area (in acres) |
|---|---|---|
| 1. | Facility located at 132, Mettupalayam Road, Periyanaicken Palayam, Coimbatore, Tamil Nadu--641020 | 16.14 |
| 2. | Facility located at Plot No 34 & 35, Sector 4, IMT Manesar, Gurgaon, Haryana, India-122050 | 3.88 |
| 3. | Facility located at 450/1/B/2 & 450/1B/3 situated at Village Mahalunge Ingale, Off Chakan-Talegaon Road, Chakan, Taluka Khed, District Pune- 410501 | 4.94 |
| 4. | Facility located at 2B, Poochiyur Road, Poochiyur, Poocchiyur-Hitech City Phase 1, Narasimhanaickenpalayam, Coimbatore, Tamil Nadu-641031 | 4.70 |

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