ANNEXURE 2

COMPOSITE SCHEME OF ARRANGEMENT

AMONGST

HINDWARE HOME INNOVATION LIMITED

AND

HHIL LIMITED

AND

HINDWARE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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

PREAMBLE

1. Purpose of the Scheme

1.1. This Scheme (*as defined hereinafter*) is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act read with Section 2(1B), Section 2(19AA) and other applicable provisions of the Income Tax Act (*as defined hereinafter*) and *inter-alia* provides for:

(a) the demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company (*as defined hereinafter*) as a going concern, and issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof;

(b) the amalgamation of the Remaining Transferor Company (*as defined hereinafter*) with and into the Transferee Company (*as defined hereinafter*) and issue of the equity shares by the Transferee Company to the shareholders of the Remaining Transferor Company, in consideration thereof; and

(c) various other matters incidental thereto.

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

2. Description of the Parties

2.1. Hindware Home Innovation Limited ("**Demerged Company**") is a public listed company, incorporated under the Companies Act, 2013, having corporate identity number L74999WB2017PLC222970 and having its registered office at 2, Red Cross Place, Kolkata, West Bengal- 700001, India. The Demerged Company is, *inter alia*, engaged in: (i) Consumer Products Business *(as defined hereinafter)*; and (ii) Building Products Business *(as defined hereinafter)*. The Building Products Business of the Demerged Company is being carried out through its subsidiary, *i.e.,* Transferee Company *(as defined hereinafter)*. The securities of Demerged Company are listed on National Stock Exchange Limited and BSE Limited.

As per the memorandum of association of the Demerged Company, its main objects are:

(i) "To import, export, buy, sell, process, manufacture and deal in all kinds of Kitchen Products like Kitchen-Sinks, Chimneys, Hobs, Kitchen Appliances, and Faucets including Chromium-plated Fittings, Bath Tubs & Whirlpools, Shower Enclosures, Home Appliances, Furnitures of all kinds, Electrical Products like Air Purifier, Water Purifier, Air Cooler, Water Heater Lamps etc., Decorative Materials, and Building Chemicals and also products like fire bricks, fire clay fire cement, tiles, sewers, pipes, drain pipes, stone pipes, Hume pipes, concrete pipes and pipes of all kinds, pottery tiles, lime, cement, china and terracotta, ceramic wares, cement (ordinary white coloured Portland alumina blast furnace, silica etc.), cement products of any description (pipes, poles, asbestos sheets, blocks tiles, garden wares etc.)

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(ii) *To carry on any other business which may seem to the Company capable of being conveniently carried on and to deal in all kinds of goods and merchandise, machinery, apparatus and materials.*

(iii) *To carry on in India or elsewhere any trade business and the export and import of all kinds of produce and merchandise and also business as agents, brokers, factors, financiers, shippers, manufacturers, planters, contractors, engineers, dealers, ship owners, lighter men, carriers by land and sea, dock owners wharfingers and warehouse men.*

(iv) *To carry on the business of paviors of and dealers in fire bricks, fire clay fire cement, tiles, sewers, pipes, drain pipes, stone pipes, Hume pipes, concrete pipes and pipes of all kinds, pottery tiles, lime, cement, china and terracotta and ceramic wares and sanitary wares.*

(v) *To Produce, refine, prepare import, export, purchase, sell, treat and generally to deal in all kinds of Sanitary ware (including sanitary ware made of plastic, fiber glass or any other synthetic product), earthenware, stoneware, glass, china, terracotta. Porcelain products, bricks, tiles, pottery, pipes, insulators refractories of all description and or by-products, thereof and building materials generally.*

(vi) *To produce, refine, prepare, import, export, purchase, sell and generally to deal in all kinds of cement (ordinary white coloured Portland alumina blast furnace, silica etc.), cement products of any description (pipes, poles, asbestos sheets, blocks tiles, garden wares etc.)"*

2.2. HHIL Limited ("**Resulting Company**") is a public unlisted company, incorporated under the Companies Act, 2013, having corporate identity number U47593WB2025PLC277174 and having its registered office at 2, Red Cross Place, Kolkata, West Bengal- 700001, India. The Resulting Company is incorporated to carry on the Consumer Products Business *(as defined hereinafter)* proposed to be demerged under the Scheme. As of the date of approval of the Scheme by the Board, the Resulting Company is a wholly owned subsidiary of the Demerged Company.

As per the memorandum of association of the Resulting Company, its main objects are:

(i) *"To import, export, buy, sell, process, manufacture and deal in all kinds of Kitchen Products like Kitchen-Sinks, Chimneys, Hobs, Kitchen Appliances, and Faucets including Chromium-plated Fittings, Bath Tubs & Whirlpools, Shower Enclosures, Home Appliances, Furnitures of all kinds, Electrical Products like Air Purifier, Water Purifier, Air Cooler, Water Heater Lamps etc., Decorative Materials, and Building Chemicals and also products like fire bricks, fire clay fire cement, tiles, sewers, pipes, drain pipes, stone pipes, Hume pipes, concrete pipes and pipes of all kinds, pottery tiles, lime, cement, china and terracotta, ceramic wares, cement (ordinary white coloured Portland alumina blast furnace, silica etc.), cement products of any description (pipes, poles, asbestos sheets, blocks tiles, garden wares etc.)*

(ii) *To carry on any other business which may seem to the Company capable of being conveniently carried on and to deal in all kinds of goods and merchandise, machinery, apparatus and materials.*

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(iii) *To carry on in India or elsewhere any trade business and the export and import of all kinds of produce and merchandise and also business as agents, brokers, factors, financiers, shippers, manufacturers, planters, contractors, engineers, dealers, ship owners, lighter men, carriers by land and sea, dock owners wharfingers and warehouse men.*

(iv) *To carry on the business of paviors of and dealers in fire bricks, fire clay fire cement, tiles, sewers, pipes, drain pipes, stone pipes, Hume pipes, concrete pipes and pipes of all kinds, pottery tiles, lime, cement, china and terracotta and ceramic wares and sanitary wares.*

(v) *To Produce, refine, prepare import, export, purchase, sell, treat and generally to deal in all kinds of Sanitary ware (including sanitary ware made of plastic, fiber glass or any other synthetic product), earthenware, stoneware, glass, china, terracotta. Porcelain products, bricks, tiles, pottery, pipes, insulators refractories of all description and or by-products, thereof and building materials generally.*

(vi) *To produce, refine, prepare, import, export, purchase, sell and generally to deal in all kinds of cement (ordinary white coloured Portland alumina blast furnace, silica etc.), cement products of any description (pipes, poles, asbestos sheets, blocks tiles, garden wares etc.)"*

2.3. Hindware Limited ("**Transferee Company**") is a public unlisted company incorporated under the Companies Act, 2013, having corporate identity number U74999WB2017PLC223307 and having its registered office at 2, Red Cross Place, Kolkata, West Bengal- 700001, India. The Transferee Company, along with its subsidiaries, is, *inter alia*, engaged in the Building Products Business. As of the date of approval of the Scheme by the Board, the Transferee Company is a subsidiary of the Demerged Company, which holds approximately ~98.6% (ninety-eight point six percent.) of the paid-up share capital (including partly paid-up equity shares calculated on a fully diluted basis) of the Transferee Company. The remaining shares of the Transferee Company are held by certain Identified Employees (*as defined hereinafter*).

As per the memorandum of association of the Transferee Company, its main objects are:

(i) *"To import, export, produce, refine, buy, sell, process, manufacture and deal in all kinds of building material products like sanitary ware (including sanitary ware made of plastic, fiber glass or any other synthetic product), earthenware, stoneware, glass, china, terracotta. Porcelain products, bricks, tiles, pottery, pipes, insulators refractories of all description and or by-products, thereof and Faucets including Chromium-plated Fittings, Bath Tubs & Whirlpools, Shower Enclosures, Home Appliances, Electrical Products , Decorative Materials, and Building Chemicals and also products like fire bricks, fire clay fire cement, tiles, sewers, pipes, drain pipes, stone pipes, Hume pipes, concrete pipes and pipes of all kinds, pottery tiles, lime, cement, china and terracotta, ceramic wares, cement (ordinary white coloured Portland alumina blast furnace, silica etc.), cement products of any description (pipes, poles, asbestos sheets, blocks tiles, garden wares etc.)*

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(ii) *To carry on any other business which may seem to the Company capable of being conveniently carried on and to deal in all kinds of goods and merchandise, machinery, apparatus and materials.*

(iii) *To carry on in India or elsewhere any trade business and the export and import of all kinds of produce and merchandise and also business as agents, brokers, factors, financiers, shippers, manufacturers, planters, contractors, engineers, dealers, ship owners, lighter men, carriers by land and sea, dock owners wharfingers and warehouse men.*

(iv) *To carry on the business of paviors of and dealers in fire bricks, fire clay fire cement, tiles, sewers, pipes, drain pipes, stone pipes, Hume pipes, concrete pipes and pipes of all kinds, pottery tiles, lime, cement, china and terracotta and ceramic wares and sanitary wares.*

(v) *To produce, refine, prepare, import, export, purchase, sell and generally to deal in all kinds of cement (ordinary white coloured Portland alumina blast furnace, silica etc.), cement products of any description (pipes, poles, asbestos sheets, blocks tiles, garden wares etc.)*

(vi) *To impart various kind of services including accounting, human resource, consulting, procurement etc."*

2.4. Article 3(b)(7) of the memorandum of association of the Demerged Company permits and authorizes the de-merger of the Demerged Undertaking into the Resulting Company and the merger of the Remaining Transferor Company into and with the Transferee Company. Similarly, article 3(b)(vii) of the memorandum of association of the Resulting Company permits and authorizes the demerger of the Demerged Undertaking into the Resulting Company. Also, article 3(b)(7) of the memorandum of association of the Transferee Company permits and authorizes the merger of the Transferee Company into and with any company authorized to undertake similar business as of the Remaining Transferor Company.

3. **Rationale for the Scheme**

3.1. The Demerged Company has 2 (two) distinct business segments: (a) Consumer Products Business; and (b) Building Products Business.

3.2. The Consumer Products Business is primarily engaged in branding and distribution of consumer durable products. Whereas the Building Products Business is an integrated play of manufacturing, branding and distributing of sanitaryware, faucets, pipes, fittings and related building products. Both the Consumer Products Business and Building Products Business have distinct:

(a) distribution channels, influencers, competition, challenges and opportunities for its business and products;

(b) capital requirements, working capital and associated risk and returns in carrying on their respective business;

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(c) skill required for manufacturing, technology, installation and customer service and manpower requirements; and

(d) strategic and financial investors' interest.

The proposed demerger of the Demerged Undertaking into the Resulting Company and the amalgamation of the Remaining Transferor Company into the Transferee Company will enable:

(a) unlocking the value in business for shareholders by attracting distinct strategic and financial investors, making it easier to access growth capital for the respective companies, and providing investors with the flexibility to invest in relevant business according to their strategies and risk profiles;

(b) creation of focused companies, leading to improved management, better visibility on each business's performance, more effective resource allocation for growth, and better risk management; and

(c) streamlining the corporate structure, resulting in greater operational efficiency and implementing smoother and effective controls and processes.

3.3. The Scheme is in the interest of all stakeholders of each of Hindware Home Innovation Limited (*i.e.,* Demerged Company/ Remaining Transferor Company), the Resulting Company and the Transferee Company.

4. Parts of the Scheme

The Scheme is divided into the following parts:

(a) **Part I:** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and implementation of this Scheme;

(b) **Part II:** deals with 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 shareholders of the Demerged Company, in consideration thereof:

(c) **Part III:** deals with the amalgamation of the Remaining Transferor Company with the Transferee Company and issue of equity shares by the Transferee Company to the shareholders of the Remaining Transferor Company, in consideration thereof; and

(d) **Part IV:** deals with general terms and conditions applicable to this Scheme.

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Part I:

Definitions and Interpretation

1. Definitions

1.1 In this Scheme, (a) capitalized terms defined by inclusion in quotations and/ or parenthesis shall have the meaning so ascribed; and (b) the following expressions, unless inconsistent with the subject or context, shall have the meanings ascribed hereunder.

"**Act**" or "**Companies Act**" means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force and also mean and refer to corresponding relevant enforceable sections of the Companies Act, 1956, the rules and regulations made there under, if any.

"**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 opening hours of April 1, 2025, or such other date as may be mutually agreed by the respective Board of the Parties or any such date approved by the Tribunal (*as defined hereinafter*) or any other competent authority.

"Appropriate Authority" means:

(a) 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.

(b) 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 Tribunal; and

(c) any Stock Exchange.

"**Board**" or "**Board of Directors**" means the respective board of directors of such Party and includes a committee or sub-committee duly constituted and authorized thereby for the purpose of matters pertaining to the Scheme and / or any other consequential or incidental matter in relation thereto.

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"Building Products Business" means the building products business *inter-alia* comprising of sanitaryware, faucets, tiles, other bath fittings, pipes, fittings and related building products, carried through the Transferee Company;

"Consumer Products Business" means business *inter-alia* comprising of kitchen appliance, consumer appliance, fixtures and fitting, offline retail, water heaters, carried through a joint venture company Hintastica Private Limited, and online retail undertaken through its wholly owned subsidiary *i.e.,* Evok Homes Private Limited;

"Demerged Company" refers to Hindware Home Innovation Limited;

"Demerged Undertaking" means entire undertaking of the Consumer Product Business, including all assets and liabilities as on the Appointed Date and shall include (without limitation):

(a) all movable and immovable properties of the Demerged Company in relation to the Consumer Products Business, whether freehold or leasehold or licensed, including manufacturing units, plants, machinery and related tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, and associated capital costs, security deposits, capital work in progress, easmentary rights, rights of way, investments, furniture, fixtures, office equipment, appliances, accessories, vehicles, sundry debtors, deposits, provisions, loans and advances (including loan to the Transferee Company), recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, or other entitlements, funds, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, utilities, electricity and electronic 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 favor of or held for the benefit of or enjoyed by the Demerged Company pertaining to the aforesaid Consumer Products Businesses;

(b) Demerged Undertaking Liabilities (*as defined hereinafter*);

(c) contracts, agreements, schemes, arrangements, know your customer (KYC) details and any other instruments pertaining to the Consumer Products Business;

(d) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, income tax deducted at source, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute applicable to the Consumer Products Business;

(e) all Permits, quotas, incentives, powers, authorities, allotments, rights, benefits, advantages, approvals (inter alia includes approvals of Bureau of Indian Standards) pertaining to the Consumer Products Business;

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(f) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames and trademarks of the Demerged Company in relation to the Consumer Products Business (including any application filed 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, lists of present and former investors, investor credit information, pricing information, and other records whether in physical or electronic form in connection with or pertaining to the aforesaid businesses;

(g) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Consumer Products Business; and

(h) all employees engaged in the Consumer Products Business.

The Boards of the Demerged Company and the Resulting Company shall determine the list of assets, liabilities, and employees forming part of the Demerged Undertaking. Further, 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 Demerged Company and the Resulting Company.

"Effective Date" means the date on which the last of the conditions specified in Clause 33 (*Conditions Precedent*) are complied with. Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "effect of this Scheme" or "upon the Scheme becoming effective' shall mean the Effective Date;

"Income Tax Act" means the Income-tax Act, 1961 and the rules and regulations made thereunder;

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

"IND AS" means Indian accounting standards issued by the Institute of Chartered Accountants of India;

"**Identified Employees**" means certain past and present employees of the Transferee Company, to whom Partly Paid-Up Equity Shares of the Transferee Company were issued by the Transferee Company. None of the Identified Employees are related to promoter or promoter group.

"**Partly Paid-Up Equity Shares**" means partly paid-up equity shares allotted to Identified Employees of the Transferee Company.

"Parties" shall collectively mean the Hindware Home Innovation Limited (Demerged Company/ Remaining Transferor Company), the Resulting Company and the Transferee Company; and "Party" means each of them, individually.

"Permits" means all consents, licenses, permits, certificates, permissions, authorizations, 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 for Demerger" 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 the issue of the Resulting Company New Equity Shares.

"Record Date for Amalgamation" means the date to be fixed by the Board of the Transferee Company in consultation with the Board of the Remaining Transferor Company for the purpose of determining the shareholders of the Remaining Transferor Company for the issue of the Transferee Company New Equity Shares.

"Remaining Transferor Company" refers to Hindware Home Innovation Limited after giving effect to the demerger of the Demerged Undertaking into the Resulting Company as stated in Part II of the Scheme and primarily comprising of Building Products Business carried on through its investments in shares of the Transferee Company.

"Resulting Company New Equity Shares" means fully paid-up equity share(s) having face value of INR 2 each issued by the Resulting Company as consideration in terms of Clause 10 of this Scheme.

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

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

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

"SEBI Circular" means the circular issued by the SEBI, being SEBI Master Circular 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 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

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tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties and all penalties, charges, costs and interest relating thereto;

"Tribunal" means the relevant bench of the National Company Law Tribunal having jurisdiction over the Parties.

"Valuation Report" means valuation report dated March 27, 2025 obtained from Ernst & Young Merchant Banking Services LLP, an IBBI registered valuer having registration no. IBBI/RV-E/05/2021/155, appointed under Section 247 of the Companies Act, 2013 read with the relevant rules.

2. Interpretation

2.1 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, or any statutory modification or re-enactment thereof from time to time.

(a) references to a statutory provision include any subordinate legislation made from time to time under that provision;

(b) references to a statute or statutory provision include that statute or provisions as from time to time modified or re-enacted or consolidated;

(c) references to the singular include the plural and vice versa and references to any gender includes the other gender;

(d) reference to a document will be a reference to that document as modified, amended, novated, or replaced from time to time;

(e) headings are for convenience only and must be ignored while construing or interpreting any provision of this Scheme;

(f) the expression "this clause" will, unless followed by reference to a specific provision, be deemed to refer to the whole clause (and not merely a sub-clause, paragraph, or other provision) in which the expression occurs;

(g) reference to clauses and schedules are to the clauses of and schedules to this Scheme;

(h) references to the words "include" or "including" will be construed without limitation;

(i) references to the words "hereof", "herein", "hereto" and "hereunder" and words of similar import will refer to this Scheme as a whole and not to any particular provision of this Scheme;

(j) where a wider interpretation is possible, the words "other" and "otherwise" will not be construed ejusdem generis with any foregoing words; and

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(k) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, or any other Applicable Laws, rules, regulations, bye laws.

3. Share Capital

3.1. Share Capital of Hindware Home Innovation Limited (*i.e.*, Demerged Company/ Remaining Transferor Company)

As on the date of approval of the Scheme by its Board, the authorized, issued, subscribed and paid-up share capital of Hindware Home Innovation Limited (*i.e.*, Demerged Company/ Remaining Transferor Company) is as under:

Particulars	Authorized share capital	Issued share capital	Subscribed share capital	Paid-up share capital
Total number of equity shares	15,00,00,000	8,36,46,357	8,36,46,357	8,36,46,357
Amount (in INR)	30,00,00,000	16,72,92,714	16,72,92,714	16,72,92,714

There has been no change in the share capital of the Hindware Home Innovation Limited (*i.e.*, Demerged Company/ Remaining Transferor Company) subsequent to the date of approval of the Scheme by its Board.

3.2. Share Capital of the Resulting Company

As on the date of approval of the Scheme by its Board, the authorized, issued, subscribed and paid-up share capital of the Resulting Company is as under:

Particulars	Authorized share capital	Issued share capital	Subscribed share capital	Paid-up share capital
Total number of equity shares	5,00,00,000	50,00,000	50,00,000	50,00,000
Amount (in INR)	10,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000

There has been no change in the share capital of the Resulting Company subsequent to the date of approval of the Scheme by its Board of Directors.

3.3. Share Capital of the Transferee Company

As on the date of approval of the Scheme by its Board, the authorized, issued, subscribed and paid-up share capital of the Transferee Company is as under:

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Particulars	Authorized share capital	Issued share capital	Subscribed share capital		Paid-up share capital	
			Fully paid up	Partly paid up*	Fully paid up	Partly paid up*
Total number of equity shares	7,50,00,000	4,99,00,000	4,90,00,000	9,00,000	4,90,00,000	9,00,000
Amount (in INR)	15,00,00,000	9,89,00,000	9,80,00,000	9,00,000	9,80,00,000	9,00,000

**INR 1 paid up per Partly Paid-Up Equity Share against face value of INR 2 per share*

There has been no change in the share capital of the Transferee Company subsequent to the date of approval of the Scheme by its Board of Directors.

4. Date of taking effect and implementation of this Scheme

This Scheme in its present form or with any modification(s) if made as per Clause 34 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.

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Part II

Demerger and Vesting of the Demerged Undertaking

5. Demerger and Vesting of the Demerged Undertaking

5.1. 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, all assets, Permits, contracts, liabilities, loan, duties and obligations pertaining to 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 as and from the Appointed Date, the assets, Permits, contracts, liabilities, loans, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

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

5.3. 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:

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

(b) Subject to Clause 5.3(c) below, with respect to the moveable assets of the Demerged Undertaking other than those referred to in Clause 5.3(a) above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in mutual funds, bonds and any other securities (except shares), 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, with effect from the Appointed Date by operation of law as transmission in favor 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;

(c) In respect of such of 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, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company. The Resulting Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable assets and properties;

(d) For the avoidance of doubt and without prejudice to the generality of Clause 5.3(c) above and Clause 5.3(e) below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant sub-registrar or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 5.3(d) or Clause 5.3(e) below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme. The mutation or substitution of the title to the immovable properties of the Demerged Company comprised in the Demerged Undertaking shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the Appropriate Authority pursuant to the Scheme coming into effect, in accordance with the terms hereof;

(e) Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, 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 the Resulting Company, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favor of 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;

(f) Upon effectiveness of Part II of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking

("Demerged Undertaking Liabilities") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date. The term "Demerged Undertaking Liabilities" shall include:

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

(ii) the specific loans or borrowings (including, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and

(iii) in cases other than those referred to in Clauses 5.3(f)(i) or 5.3(f)(ii) 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.

(g) Post 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;

(h) In so far as encumbrances, if any, are concerned, in respect of the Demerged Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme;

(i) All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favor of the Demerged Company (pertaining to the Demerged Undertaking), or any other person acting on behalf of or for the benefit of the Demerged Company for securing the obligations of the persons to whom the Demerged Company (pertaining to the Demerged Undertaking) has advanced loans and granted other financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favor of the Resulting Company and the benefit of such security shall be available to the Resulting Company as if such security was *ab initio* created in favor of the Resulting Company. The recordal of such benefits/ charges, created in favor of the Resulting Company, shall upon this Scheme becoming effective and with effect from the Appointed Date, be made and duly recorded in the name of the Resulting Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof;

(j) Subject to Clause 5 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, 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;

(k) On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company;

(l) All letters of intent/ acceptance/ awards, memoranda, requests for proposal, qualifications, pre-qualifications (including pending applications), and other instruments of whatsoever nature pertaining to the Demerged Undertaking, to which the Demerged Company is a party to or to the benefit of which Demerged Company may be eligible (including but not limited to entire experience, credentials, past record and market share), shall remain in full force and effect against or in favor of the Resulting Company without any further act, instrument, deed or thing and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee or applicant thereto; and

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

5.4. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 5 and upon the effectiveness of Part II 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 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 pertaining to the Demerged Undertaking transferred to and registered in, the name of the Resulting Company, as per Applicable Law.

Hindware Home Innovation Limited

HINDWARE LIMITED

HHIL LIMITED

6. Contracts, Deeds and Intellectual Properties

6.1. Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, the Demerged Company is a party subsisting or having effect immediately before the Scheme coming into effect in relation to the Demerged Undertaking, shall be in full force and effect against or in favor of the Resulting Company, and may be enforced by or against the Resulting Company fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

6.2. Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to affect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company shall, wherever necessary, enter and/or execute deeds, writings, confirmations or novation to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause 6.

6.3. All rights, approvals, registrations memberships, licenses, franchises, privileges, permits, quotas, entitlements, allotments, approvals, consents, concessions and licenses relating to intellectual property or proprietary rights including all copyrights, trademarks, know-how, patents, patent applications, service marks, trade names, trade dress, designs, logos, corporate names, domain names, software and all website content (including text, graphics, images, audio, video and date), trade secrets, confidential business information, other proprietary information and items of such nature and any licenses, rights, title or interest in intellectual property or proprietary rights in relation to the Demerged Undertaking, to which the Demerged Company may be entitled to or eligible, will be deemed to continue in full force and effect, on or against or in favor of the Resulting Company as the case may be on and from the Appointed Date and upon the Scheme becoming effective, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company has been a party or beneficiary or oblige thereto.

6.4. All service providers, vendors and stakeholders of the Demerged Company in relation to the Demerged Undertaking shall be automatically deemed to be the service providers, vendors and stakeholders of the Resulting Company with all the rights and obligations attached to their association in the Demerged Undertaking without any further action on the part of such service providers, vendors, stakeholders, Demerged Undertaking or the Resulting Company.

7. Staff, Workmen and Employees

7.1. Upon the effectiveness of Part II of this Scheme and with effect from the Effective Date, all staff, workmen and employees of the Demerged Company in service on the Effective Date in relation to the Demerged Undertaking, shall be deemed to have become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to the Demerged Company. The decision on whether an employee is part of the Demerged Undertaking shall be decided by the Demerged Company, and such decision shall be final and binding on all concerned Parties.

7.2. The accumulated balances, if any, standing to the credit in favor 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 Demerged Company.

8. Legal Proceedings

8.1. 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 by or against the Demerged Company pending and/or arising on or before the Appointed 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 a 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.

8.2. The Resulting Company undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 8.1 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 Demerged Company and the Resulting Company shall make relevant applications and take all steps as may be required in this regard.

8.3. 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, 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.

9. Compliance with Tax Laws

9.1. Tax payable to Appropriate Authorities under Tax Laws and/or any refunds of Tax from Appropriate Authorities under 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 realized on, or after the Appointed Date; and even if the prescribed time limits for claiming such refunds or credits have lapsed, shall be the responsibility and/ or entitlement of the Resulting Company. Upon effectiveness of this Scheme, in accordance with the Tax Laws, the Demerged Company shall be liable for any Tax payable to and/ or be entitled to any refunds of Tax receivable from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking prior to the Appointed Date, and in this case the Resulting Company shall promptly reimburse the Demerged Company for such payment and/ or be entitled to receive the amount of refund so received from the Demerged Company.

9.2. Upon the Scheme becoming effective and after the Appointed Date, the Resulting Company shall be liable for any Tax payable to Appropriate Authorities under Tax Laws and shall be entitled to refunds of any Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after 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 realized on, or after the Appointed Date.

9.3. If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), advance tax, tax deduction at source, tax collection at source, minimum alternate tax (MAT) 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 unutilized credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilized credits, as the case may be, shall be available for utilization to the Resulting Company in accordance with Applicable Law.

9.4. Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the 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. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.

10. Consideration

10.1. Upon effectiveness of Part II of this Scheme and in consideration of and subject to the provisions of this Scheme in relation to the Demerged Undertaking, the Resulting Company shall, without any further application, act, deed, consent, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company determined on the basis of a Valuation Report, whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date for Demerger, as under:

1 (One) fully paid-up equity share of INR 2 each of the Resulting Company ***("Resulting Company New Equity Shares"),*** *credited as fully paid up, for every 1 (One) fully paid-up equity share of INR 2 each of the Demerged Company.*

10.2. For the purpose of the allotment of the Resulting Company New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in the Demerged Company is such that the shareholder becomes entitled to a fraction of a share of the Resulting Company, the Resulting Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Resulting Company New Equity Shares to a trustee (nominated by the Board of the Resulting Company in that behalf) in dematerialized form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of the Resulting Company New Equity Shares as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Resulting Company pertaining to the fractional entitlements. 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, and shall rank *pari passu* in all respects with any existing equity shares of the Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.

10.3. The Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialized form. Prior to the Record Date for Demerger, 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 dematerialized form.

10.4. 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 may deem fit and in the best interest of such eligible shareholder, including by way of issuing the Resulting Company New Equity Share(s) in dematerialized 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.

10.5. 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 the Demerged Company or their 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 members 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.

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

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

10.8. The Resulting Company New Equity Shares issued *in lieu* of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company. 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.

10.9. In the event the Demerged Company restructures its share capital by way of share split or consolidation or bonus or any other corporate action before the Record Date for Demerger, the share entitlement ratio set out in Clause 10.1 shall be suitably adjusted considering the effect of such corporate action without the requirement of any further approval from shareholders or Appropriate Authority.

10.10. The Resulting Company shall apply for a listing of the Resulting Company New Equity Shares on the Stock Exchanges in terms of and in compliance of 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 10.1 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 for Demerger and the listing of its equity shares, which may affect the status of approval of the Stock Exchanges.

10.11. 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.

10.12. Corporate Professionals Capital Private Limited, an independent SEBI Registered Merchant Banker, having registration no. INM00001143, pursuant to the SEBI Circular under its Fairness Opinion dated March 27, 2025 has certified that the Valuation Report, in reference to the Scheme, is fair and reasonable.

11. Accounting Treatment

11.1. **Accounting treatment in the books of account of the Demerged Company:**

Upon coming into effect of Part II of the Scheme, the same shall be accounted for in books of accounts of the Demerged Company in the following manner:

(a) 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.

(b) The investment in the equity shares capital of the Resulting Company held by Demerged Company, if any, as appearing in the books of account of Demerged Company shall stand cancelled.

(c) The surplus/deficit, if any, arising between the carrying value of assets and liabilities and reserves pertaining to the Demerged Undertaking transferred to the Resulting Company, after providing for adjustments as stated in Clause 11.1(b) above, shall be recorded as capital reserve. Any negative capital reserve shall be adjusted against in the following chronological order: (i) capital reserve; (ii) securities premium; (iii) general reserve; and (iv) retained earnings, in the books of account of the Demerged Company.

(d) Any matter not dealt with herein above shall be dealt with in accordance with the requirements of applicable IND AS.

11.2. **Accounting treatment in the books of accounts of the Resulting Company**

Upon coming into effect of Part II of the Scheme, the Resulting Company shall account for the Demerged Undertaking account in accordance with principles laid down in Appendix C to the Indian Accounting Standard 103 "Business Combination" in the following manner:

(a) 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 accounts of the Resulting Company in the same form and manner, in which they appeared in the books of accounts of the Demerged Company.

(b) The Resulting Company shall credit the share capital in its books of account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company pursuant to Clause 10 of the Scheme.

(c) The shareholding of the Demerged Company in the Resulting Company, if any, shall stand cancelled.

(d) 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 shares issued by the Resulting Company, after providing for adjustments as stated in Clause 11.2(c) above, shall be recorded as capital reserve. Any negative capital reserve shall be adjusted against in the

following chronological order: (i) capital reserve; (ii) securities premium; (iii) general reserve; and (iv) retained earnings, in the books of account of the Resulting Company.

(e) In case of any differences in accounting policies of the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail and the difference shall be adjusted in capital reserve of the Resulting Company, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.

(f) Any matter not dealt with herein above shall be dealt with in accordance with the requirements of applicable IND AS.

12. Conduct of Business of the Demerged Company till Effective Date

12.1. During the period between the Appointed Date and the Effective Date:

(a) The Demerged Company shall carry on and deemed to have carried on its business and activities in relation to the Demerged Undertaking and shall stand possessed of the Demerged Undertaking, in trust for the Resulting Company, and shall account for the same to the Resulting Company.

(b) The Demerged Company shall carry on their business and activities in relation to the Demerged Undertaking with reasonable diligence and business prudence and shall not alter or diversify their respective businesses or venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Resulting Company.

(c) The Demerged Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to the Appointed Date.

13 Savings of concluded transactions

13.1 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.

14 Reduction and cancellation of entire share capital of the Resulting Company

14.1 Upon allotment of the Resulting Company New Equity Shares, the entire paid up share capital of the Resulting Company as on the Effective Date **("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.

14.2 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.

14.3 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.

15 **Increase in the Authorized Share Capital**

15.1 Upon effectiveness of the Scheme, a part of the authorized share capital comprising of 5,00,00,000 shares of INR 2 each of the Demerged Company as on the Effective Date, will be combined with the authorized share capital of the Resulting Company and accordingly the authorized share capital of the Resulting Company shall stand increased without any further act, instrument or deed on the part of the Resulting Company including payment of stamp duty and fees to RoC.

15.2 Pursuant to the increase in authorized share capital as provided above in Clause 15.1, the then authorized share capital of the Resulting Company, including any authorized share capital increased in the interim period until the Effective Date, shall stand increased by 5,00,00,000 (Five Crore) equity shares of INR 2 each as on the Effective Date.

15.3 The memorandum of association and articles of association of the Resulting Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the approval of the Tribunal to the Scheme shall be deemed to be consent/ approval of the members of the Resulting Company also for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, for amendment of the memorandum and articles of association of the Resulting Company and for this purpose the stamp duty and fees paid on the authorized capital of the Demerged Company shall be utilized and applied to the increased authorized share capital of the Resulting Company.

15.4 Consequentially, Clause V of the memorandum of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorized share capital as per Clause 15.1 and 15.2 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.

15.5 It is clarified that the approval of the Tribunal to the Scheme shall be deemed to be consent/ approval of the members of the Resulting Company also to the alteration of the memorandum and articles of association of the Resulting Company as may be required under the Act.

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PART III

Amalgamation of the Remaining Transferor Company into and with the Transferee Company

16 **Amalgamation and Vesting of Assets and Liabilities of the Remaining Transferor Company**

16.1 Pursuant to sanction of the Scheme by the Tribunal 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(1B) of the Income Tax Act, the Remaining Transferor Company along with its investments in shares shall stand transferred to and vested in the Transferee Company and accordingly, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Remaining Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Transferee Company, by virtue of operation of law, and in the manner provided in this Scheme.

The amalgamation under Part III of the Scheme complies with the definition of "amalgamation" under Section 2 (1B) and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with the provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2 (1B) of the Income Tax Act.

16.2 Without prejudice to the generality of the provisions of Clause 16.1 above, the manner of transfer and vesting of assets and liabilities of the Remaining Transferor Company along with the investments in shares under this Scheme, is as follows:

(a) In respect of such of the assets and properties of the Remaining Transferor Company including which are movable in nature (including but not limited to all intangible assets), intellectual property and intellectual property rights, including any applications for the same, of any nature whatsoever including but not limited to brands, trademarks, 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 Remaining Transferor Company to the Transferee Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The 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;

(b) Subject to Clause 16.2(c) below, with respect to the assets of the Remaining Transferor Company, other than those referred to in Clause 16.2(a) above, including all rights, title 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 Remaining Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Transferee Company, with effect from the Appointed Date by operation of law as transmission in favor of the Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required;

(c) In respect of such of the assets and properties of the Remaining Transferor Company which are immovable in nature, whether or not included in the books of the Remaining Transferor Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Remaining Transferor Company and/ or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable assets and properties;

(d) For the avoidance of doubt and without prejudice to the generality of Clause 16.2(c) above and Clause 16.2(e) below, it is clarified that, with respect to the immovable properties of the Remaining Transferor Company in the nature of land and buildings, the Transferee Company shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant sub-registrar or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 16.2(d) or Clause 16.2(e) below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Remaining Transferor Company takes place and the assets and liabilities of the Remaining Transferor Company shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme. The mutation or substitution of the title to the immovable properties of the Remaining Transferor Company shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authority pursuant to the Scheme coming into effect, in accordance with the terms hereof;

(e) Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Remaining Transferor Company, whether owned or leased, for the purpose of, *inter alia,* payment of stamp duty and transfer to the Transferee Company, if the Transferee Company so decides, the Remaining Transferor Company and/or the Transferee Company may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favor of the Transferee 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;

(f) All debts, liabilities, duties, loans and obligations related to the Remaining Transferor Company (including any of its subsidiaries, if any) shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties, loans and obligations of the Transferee Company on the same terms and conditions as were applicable to the Remaining Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 16;

(g) On and from the Effective Date and till such time that the name of the bank and demat accounts of the Remaining Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank and demat accounts of the Remaining Transferor Company, as may be applicable, and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment, debit or credit instructions which are in the name of the Remaining Transferor Company after the Effective Date shall be accepted by the bankers and depository participants of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company;

(h) Unless otherwise agreed between the Parties, the vesting of all the assets related to the Remaining Transferor Company, as aforesaid, shall be along with the encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such encumbrances shall be confined only to the relevant assets of the Remaining Transferor Company or part thereof on or over which they are subsisting prior to the amalgamation of the Remaining Transferor Company with the Transferee Company, and no such encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Remaining Transferor Company is a party) related to any of its assets, shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/ to be availed of by it, and the encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested. With regard to any guarantees provided by the Transferee Company to the lenders of the Remaining Transferor Company is concerned, upon the Scheme coming into effect, the said guarantees will stand cancelled and annulled. No separate obligations and/or security would be provided by the Transferee Company to that effect;

(i) All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favor of the Remaining Transferor Company, or any other person acting on behalf of or for the benefit of the Remaining Transferor Company for securing the obligations of the persons to whom the Remaining Transferor Company has advanced loans and granted other financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favor of the Transferee Company and the benefit of such security shall be

available to the Transferee Company as if such security was *ab initio* created in favor of the Transferee Company. The record al of such benefits/ charges, created in favor of the Transferee Company, shall upon this Scheme becoming effective and with effect from the Appointed Date, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof;

(j) On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Remaining Transferor Company, shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company;

(k) All letters of intent/ acceptance/ awards, memoranda, requests for proposal, qualifications, pre-qualifications (including pending applications}, and other instruments of whatsoever nature to which the Remaining Transferor Company is a party to or to the benefit of which Remaining Transferor Company may be eligible (including but not limited to entire experience, credentials, past record and market share}, shall remain in full force and effect against or in favor of the Transferee Company without any further act, instrument, deed or thing and may be enforced as fully and effectually as if, instead of the Remaining Transferor Company, the Transferee Company had been a party or beneficiary or obligee or applicant thereto;

(l) Permits, including the benefits attached thereto of the Remaining Transferor Company, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favor of the Transferee Company as if the same were originally given by, issued to or executed in favor of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company without any hindrance whatsoever; and

(m) Provided that, upon the Part III of this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or *inter-se* the Remaining Transferor Company and the Transferee Company, if any, shall stand cancelled with effect from the Effective Date and neither the Remaining Transferor Company and/nor Transferee Company shall have any obligation or liability against the other party in relation thereto.

16.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 16 and upon the effectiveness of Part III of this Scheme, the Remaining Transferor Company and the Transferee Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Remaining Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Remaining Transferor Company. The Transferee Company shall take such actions as may be necessary

and permissible to get the assets, Permits and contracts of the Remaining Transferor Company transferred and/ or registered in its name.

17 **Contracts, Deeds and Intellectual Properties**

17.1 Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) is a party subsisting or having effect immediately before the Scheme coming into effect, shall be in full force and effect against or in favor of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Remaining Transferor Company, the Transferee Company had been a party thereto.

17.2 All rights, approvals, registrations memberships, licenses, franchises, rights, privileges, permits, quotas, entitlements, allotments, approvals, consents, concessions and licenses relating to intellectual property or proprietary rights including all copyrights, trademarks, know-how, patents, patent applications, service marks, trade names, trade dress, designs, logos, corporate names, domain names, software and all website content (including text, graphics, images, audio, video and date), trade secrets, confidential business information, other proprietary information and items of such nature and any licenses, rights, title or interest in intellectual property or proprietary rights in relation to the Remaining Transferor Company (excluding in relation to the Demerged Undertaking), to which the Remaining Transferor Company may be entitled to or eligible, will be deemed to continue in full force and effect, on or against or in favor of the Transferee Company as the case may be on and from the Appointed Date and upon the Scheme becoming effective may be enforced as fully and effectually as if, instead of the Remaining Transferor Company, the Transferee Company has been a party or beneficiary or obligee thereto.

17.3 Contracts where the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) is a party, shall stand transferred to and vested in the Transferee Company pursuant to this Scheme becoming effective. The absence of any formal amendment which may be required by a third party to affect such transfer and vesting shall not affect the operation of the foregoing sentence.

17.4 The Transferee Company will enter into and/ or issue and/ or execute deeds, writings or confirmations or novation, to which the Remaining Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required.

17.5 All service providers, vendors and stakeholders of the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) shall be automatically deemed to be the service providers, vendors and stakeholders of the Transferee Company with all the rights and obligations attached to their association in the Remaining Transferor Company without any further action on the part of such service providers, vendors, stakeholders, Remaining Transferor Company or the Transferee Company.

18 **Staff, Workmen and Employees**

18.1 Upon the effectiveness of Part III of this Scheme and with effect from the Effective Date, all staff, workmen and employees of the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service and on the basis of continuity

of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Remaining Transferor Company.

18.2 The accumulated balances, if any, standing to the credit in favor 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 Transferee Company set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Transferee Company. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of the Remaining Transferor Company. For all retirement and other benefits, employees of the Remaining Transferor Company shall be deemed to be in continuation of services and his / her service shall be deemed to have commenced from the date, he / she joins the Remaining Transferor Company.

19 Legal Proceedings

19.1 Upon coming into effect of Part III of this Scheme, all suit, appeal or other proceeding of whatever nature by or against the Remaining Transferor Company (excluding in relation to the Demerged Undertaking), is pending as on the Appointed Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Remaining Transferor Company as if this Scheme had not been made.

19.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) after the Appointed Date but prior to the Effective Date, the Transferee Company shall be made party thereto, and any payment and expenses made thereto shall be the liability of the Transferee Company.

19.3 From the date of approval of this Scheme by the Board of the Remaining Transferor Company and until the Effective Date, the Remaining Transferor Company shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of the Transferee Company.

20 Compliance with Tax Laws

Upon coming into effect of Part III of this Scheme and with effect from the Appointed Date, by operation of law pursuant to the order of the Appropriate Authority:

20.1 Taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, dividend distribution tax, foreign tax, minimum alternative tax, if any, paid by the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. Further, any tax deducted at source by the Remaining Transferor Company/ the Transferee Company on payables to the Transferee Company/ the Remaining Transferor

Company respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

20.2 If the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) is entitled to any benefits under incentive schemes and policies under Tax Laws, all such benefits under all such incentive schemes and policies shall stand vested in the Transferee Company. Further, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciations to which the Remaining Transferor Company is entitled to in terms of Applicable Law(s), shall be available to and vest in the Transferee Company.

20.3 Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, all inter-party transactions between the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) and the Transferee Company shall be considered as intra -party transactions for all purposes, from the Appointed Date. Any Taxes (including tax deducted at source or dividend distribution tax) paid in relation to such transaction shall, to the extent permissible by Applicable Law, be claimed as a refund.

20.4 The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, along with the necessary forms, filings and annexures even beyond the due date, if required, including tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax returns, as may to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/ withheld, minimum alternate tax credit, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciations etc. if any, as may be required for the purposes of/ consequent to implementation of the Scheme.

20.5 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferee Company, if so required, shall issue notice in the name of the Remaining Transferor Company, in such form as it may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Remaining Transferor Company (excluding in relation to the Demerged Undertaking), to recover or realise the same, stands transferred to the Transferee Company.

20.6 Obligation for deduction of tax at source on any payment made by or to be made by the Remaining Transferor Company (excluding in relation to the Demerged Undertaking), under Tax Laws or other applicable laws/ regulations dealing with Taxes/ duties/ levies duly complied by the Remaining Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company. It is further clarified that the Transferee Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities (excluding unpaid liabilities transferred to the Resulting Company as part of the Demerged Undertaking), as and when the same are paid subsequent to the Appointed Date.

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21 **Consideration**

21.1 Upon the Part III of this Scheme coming into effect and in consideration of the amalgamation of the Remaining Transferor Company with the Transferee Company, the Transferee Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Remaining Transferor Company determined on the basis of a Valuation Report, whose name is recorded in the register of members as member of the Remaining Transferor Company as on the Record Date for Amalgamation, as under:

1 (One) fully paid-up equity share of INR 2 each of the Transferee Company ***("Transferee Company New Equity Shares"),*** *credited as fully paid up, for every 1 (One) fully paid-up equity share of INR 2 each of the Remaining Transferor Company.*

21.2 The Transferee Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of the Transferee Company, as the case may be, after the Record Date for Amalgamation including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the equity shares of the Transferee Company.

21.3 The issue and allotment of the Transferee 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 Transferee Company or the Remaining Transferor Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the shareholders of the Transferee Company to this Scheme, shall be deemed to their consent/approval for the issue and allotment of the Transferee Company New Equity Shares.

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

21.5 For the purpose of the allotment of the Transferee Company New Equity Shares, pursuant to this Scheme, in case any shareholder's holding in the Remaining Transferor Company is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated Transferee Company New Equity Shares to a trustee (nominated by the Board of the Transferee Company in that behalf) in dematerialized form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong, for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of the Transferee Company New Equity Shares as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional

entitlements. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company pertaining to the fractional entitlements. The Transferee Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company, and shall rank *pari passu* in all respects with any existing equity shares of the Transferee Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Transferee Company.

21.6 For the purpose of allotment of the Transferee Company New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Remaining Transferor Company holds shares in physical form, the Transferee Company shall deal with the relevant shares in such manner as they may deem fit and in the best interest of such eligible shareholder, including by way of issuing the Transferee Company New Equity Share(s) in dematerialized form to a trustee nominated by the Board of the Transferee Company **("Trustee of the Transferee Company")** who shall hold these equity shares in trust for the benefit of such shareholder. The Transferee Company New Equity Share(s) held by the Trustee of the Transferee 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 Transferee Company, along with such other documents as may be required by the Trustee of the Transferee Company.

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

21.8 Upon allotment of the Transferee Company New Equity Shares to shareholders of the Remaining Transferor Company, as provided above in Clause 21.1, the share capital of the Transferee Company shall stand increased, resulting in the dilution of the shareholding interest of the holders of Partly Paid-Up Equity Shares ("**Existing PPS Holders**") in the Transferee Company.

21.9 In view of the aforesaid dilution of the shareholding stake of the Existing PPS Holders, the Transferee Company shall, without any further application, act, consent, instrument or deed shall, issue and allot additional partly paid-up equity shares ("**Additional Partly Paid-Up Equity Shares**"), to the Existing PPS Holders whose names are recorded in the register of members as member of the Transferee Company as on the Record Date for Amalgamation. Consequently, the shareholding of the Existing PPS Holders in the Transferee Company shall be reorganized from 9,00,000 (Nine Lakh) partly paid-up equity shares (face value INR 2, at a premium INR 450, with INR 1 paid up) to 15,25,424 partly (Fifteen Lakh Twenty Five Thousand Four Hundred Twenty Four) paid-up equity shares (face value INR 2, at a premium INR 264.68 with INR 0.59 paid up, after adjusting for fractional entitlement and rounding-off of partly paid up amount). In case the aforesaid partly paid-up shares have become fully paid up before the Record Date for Amalgamation, then the paid-up share capital shall be reorganized from 9,00,000 (Nine Lakh) equity shares (face value INR 2, at a premium INR 450, with INR 452 paid up) to 15,25,424 (Fifteen Lakh Twenty Five Thousand Four Hundred Twenty Four) equity shares (face value INR 2, at a premium INR 264.68, with INR 266.68 paid up, after adjusting for fractional entitlement and rounding-off of paid up amount).

21.10 The Additional Partly Paid-Up Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* in all respects with existing Partly Paid-Up Equity Shares of the Transferee Company. The Board may decide the terms and conditions of issuance of the Additional Partly Paid-Up Equity Shares and revise the terms and conditions related to the existing Partly Paid-Up Equity Shares, if required.

21.11 The Transferee Company shall apply for listing of all its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Transferee Company New Equity Shares allotted by the Transferee Company in terms of Clause 21.1 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/trading permission is given by the designated Stock Exchange.

21.12 Partly Paid-Up Equity Shares and Additional Partly Paid-Up Equity Shares issued by the Transferee Company upon being made fully paid in accordance with their revised terms shall be included in the listing of equity shares of the Transferee Company on the Stock Exchanges in compliance of the SEBI Circular, and other relevant applicable provisions.

21.13 The Transferee 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.

21.14 The Board of the Transferee Company reserves the right to call upon the holders of Partly Paid-Up Equity Shares to pay any part of the outstanding amount on such shares, as and when deemed necessary, in accordance with the terms of their issuance.

21.15 Corporate Professionals Capital Private Limited, an independent SEBI Registered Merchant Banker, having registration no. INM00001143, pursuant to the SEBI Circular under its Fairness Opinion dated March 27, 2025 has certified that the Valuation Report, in reference to the Scheme, is fair and reasonable.

22 Dissolution of the Remaining Transferor Company

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

23 Accounting Treatment

23.1 Accounting treatment in the books of account of the Remaining Transferor Company:

The Remaining Transferor Company shall stand dissolved without being wound up upon this Scheme becoming effective. Hence there is no accounting treatment prescribed under the Scheme in the books of the Remaining Transferor Company

23.2 Accounting treatment in the books of account of the Transferee Company:

Upon coming into effect of Part III of the Scheme, the Transferee Company shall account for amalgamation of the Remaining Transferor Company 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:

(a) All assets and liabilities of the Remaining Transferor Company shall be recorded by the Transferee Company at their respective book values as appearing in the books of account of the Remaining Transferor Company.

(b) The balance of the reserves appearing in the books of account of the Remaining Transferor Company shall be aggregated with the corresponding balance appearing in the books of account of the Transferee Company.

(c) The Transferee Company shall credit the share capital in its books of account with the aggregate face value of the equity shares issued by it to the shareholders of the Remaining Transferor Company pursuant to Clause 21 of the Scheme.

(d) The investment in the equity shares capital (including partly paid-up shares, if any) of the Remaining Transferor Company held by Transferee Company, as appearing in the books of account of Transferee Company, shall stand cancelled.

(e) The inter-company loans and advances, other dues, receivables and payables outstanding between the Remaining Transferor Company and Transferee Company shall stand cancelled and there shall be no further obligation/ outstanding in that regard.

(f) The shareholding of the Remaining Transferor Company in the Transferee Company, if any, shall stand extinguished.

(g) The surplus/deficit, if any, arising between the carrying value of assets and liabilities and reserves pertaining to the Remaining Transferor Company, and the face value of shares issued by the Transferee Company, after providing for adjustments as stated in Clause 23.1.(d), 23.1(e) and 23.1 (f) above, shall be adjusted in capital reserve. Any negative capital reserve shall be adjusted against in the following chronological order: (i) capital reserve; (ii) securities premium; (iii) general reserve; and (iv) retained earnings, in the books of account of the Transferee Company.

(h) Any matter not dealt with herein above shall be dealt with in accordance with the requirements of applicable IND AS.

23.3 In case of any differences in accounting policies of the Remaining Transferor Company and the Transferee Company, the accounting policies of the Transferee Company shall prevail and the difference shall be quantified and adjusted in the capital reserve to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.

23.4 The comparative financial information in the financial statements of the Transferee Company shall be restated as if the merger had occurred from the beginning of the comparative period presented in the financial statements, irrespective of the actual date of the merger.

24 **Combination of the Authorized Share Capital**

24.1 Upon the coming into effect of this Scheme, the remaining authorized share capital of the Remaining Transferor Company comprising of 10,00,00,000 (Ten Crore) equity shares of INR 2 each (post transfer of 5,00,00,000 (Five Crore) equity shares of INR 2 each of the Demerged Company to the Resulting Company under Clause 15.1 of Part II of the Scheme) as on the Effective Date will be combined with the authorized share capital of the Transferee Company and accordingly the authorized share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees to RoC.

24.2 Pursuant to increase in authorized share capital as provided above in Clause 24.1, the then authorized share capital of the Transferee Company, including any authorized share capital increased in the interim period until the Effective Date, shall stand increased by 10,00,00,000 (Ten Crore) equity shares of INR 2 each on the Effective Date.

24.3 The memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the approval of the Tribunal to the Scheme shall be deemed to be consent/ approval of the members of the Transferee Company also for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, for amendment of the memorandum and articles of association of the Transferee Company and for this purpose the stamp duty and fees paid on the authorized capital of the Remaining Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company.

24.4 Consequentially, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorized share capital as per Clause 24.1 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act.

24.5 It is clarified that the approval of the Tribunal to the Scheme shall be deemed to be consent/ approval of the members of the Transferee Company also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.

25 **Saving of Concluded Transactions**

25.1 Nothing in this Scheme shall affect any transaction or Proceedings already concluded or liabilities incurred by the Remaining Transferor Company, until the Appointed Date, to the end and intent that the Transferee Company, shall accept and adopt all acts, deeds and things done and executed by the Remaining Transferor Company in respect thereto as done and executed on behalf of the Transferee

Company. Upon this Scheme coming into effect, the resolutions/ power of attorneys/ letter of authority(ies) executed by the Remaining Transferor Company and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions, power of attorney and letter of authority(ies) passed/ executed by the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act or any other applicable statutory provisions, then such limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions for the purpose of the Transferee Company.

26 **Conduct of Business of Remaining Transferor Company till Effective Date**

26.1 During the period between the Appointed Date and the Effective Date:

(a) The Remaining Transferor Company shall carry on and deemed to have carried on its business and activities, in trust for the Transferee Company, and shall account for the same to the Transferee Company. The Remaining Transferor Company hereby undertakes to hold its Assets with utmost prudence until the Effective Date.

(b) All the income or profits accruing or arising to the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) and all costs, charges, expenses or losses incurred by the Remaining Transferor Company (excluding in relation to the Demerged Undertaking) shall for all purposes be treated the income, profits, costs, charges, expenses and losses of the Transferee Company.

(c) The existing directors including key managerial personnel ("**KMP**") of the Remaining Transferor Company shall cease to be the directors and KMP of the Remaining Transferor Company upon the Scheme coming into effect without any further acts, deed or things required, whereas there shall be no effect upon the directors and KMP of the Transferee Company. The directors and KMP of the Remaining Transferor Company and the Transferee Company do not have any interest, whether material or immaterial, financial or non-financial or otherwise, in the proposed Scheme except, to the extent of their remuneration due, if any.

(d) The Remaining Transferor Company shall carry on the business and activities with reasonable diligence and business prudence and shall not alter or diversify their respective businesses or venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Transferee Company.

(e) The Remaining Transferor Company shall not vary the terms and conditions of employment of any of the employees (excluding in relation to the Demerged Undertaking) except in the ordinary course of business or without the prior consent of Transferee Company or pursuant to any pre-existing obligation undertaken by Remaining Transferor Company as the case may be, prior to the Appointed Date.

(f) The Remaining Transferor Company (excluding in relation to the Demerged Undertaking) shall not utilize the profits or income for the purpose of declaring or paying any dividend or for any

other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Transferee Company.

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Part IV

General Terms and Conditions

27 Dividends

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

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

28 Conduct of Business up to the Effective Date

28.1 With effect from the date of approval of the Scheme by the respective Board of the Parties and up to and including the Appointed Date, the Demerged Company/ Remaining Transferor Company (*defined terms should be construed as per respective parts of this Scheme*) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company and Transferee Company, respectively.

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

(a) The Demerged Company with respect to the Demerged Undertaking and the Remaining Transferor Company, shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company and the Transferee Company may respectively require to carry on the relevant businesses of the Demerged Company/Remaining Transferor Company and to give effect to the Scheme; and

(b) For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company and the Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the record of the change in the legal rights upon demerger of the Demerged Undertaking and amalgamation of the Remaining Transferor Company, as the case maybe, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company and the Transferee Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. 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 and the Transferee Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its 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 favor of the Resulting Company and the Transferee Company, as the case maybe, pursuant to the sanction of the 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 and the Transferee Company. It is clarified that the Resulting Company and the Transferee 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.

29 **Facilitation Provisions**

29.1 Immediately upon the Scheme being effective, the concerned Parties shall enter into agreements as may be necessary, *inter alia* in relation to use by the Parties of office space, infrastructure facilities, information technology services, security personnel, trademarks and other intellectual property rights, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between them.

29.2 It is clarified that all guarantees provided by the Demerged Company in respect of the Demerged Undertaking and/ or by the Remaining Transferor Company, as the case may be, if any, shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company and/ or the Transferee Company, as the case maybe.

29.3 The Board of the Resulting Company and the Transferee Company shall always be deemed to have been authorized to do all the acts, deeds and things as may be required for and on behalf the Board of the Demerged Company, respectively to give effect and implement the provisions of this Scheme, including executing any pleadings, applications, instruments, forms, policies, schemes, filing of necessary particulars relating to mutation and/or substitution of the ownership or the title to or interest in the immovable properties of the Demerged Company forming part of the Demerged Undertaking and the Remaining Transferor Company, as the case may be, and/ or modifications of charge, fulfilling statutory obligations, approving, etc.

29.4 Notwithstanding anything contained in this Scheme, the Resulting Company and the Transferee Company shall be permitted to continue using the existing packaging materials, branding, and labeling associated with the Demerged Company/Remaining Transferor Company's products for a period of 1 (one) year from the Effective Date of the Scheme, or such extended period as may be mutually agreed upon by the respective Boards of the Resulting Company and the Transferee Company, subject to compliance with applicable laws and regulatory requirements. During the transition period, the Resulting Company and the Transferee Company shall take necessary steps to phase out the existing packaging and implement any required changes in a manner that minimizes disruption to business operations and maintains brand continuity.

30 **Property in Trust**

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

to the Demerged Undertaking of the Demerged Company and related to the Remaining Transferor Company, are transferred, vested, recorded, effected and/or perfected, in the records of any Appropriate Authority, regulatory bodies, any third party, or otherwise, in favor of the Resulting Company and Transferee Company, respectively, the Resulting Company and Transferee Company, will be 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.

31 Application/Petition to the Tribunal

31.1 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.

32 Withdrawal of the Scheme in case of Non-Receipt of Approvals

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

32.2 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.

32.3 In the event the Effective Date does not occur on or before such date as may be agreed by the Parties, this Scheme shall become null and void, and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter-se* by the Parties or their shareholders or creditors or employees or any other person in terms of this Scheme.

32.4 In the event of revocation/ withdrawal of the Scheme under this Clause 32, 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, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

33 Conditions Precedent

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

(a) obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;

(b) 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;

(c) Demerged Company/Remaining Transferor Company complying with other provisions of the SEBI Circular, including seeking approval of the shareholders through e-voting, as applicable;

(d) the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties.

(e) certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties; and

(f) the requisite consent, approval or permission of Appropriate Authority which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.

33.2 Without prejudice to Clause 33.1 and subject to the satisfaction or waiver of the conditions mentioned in Clause 33.1 above, the Scheme shall be made effective in the order as contemplated below:

(a) Part II of the Scheme shall be made effective;

(b) Immediately upon effectiveness of Part II of the Scheme, Part III of the Scheme shall be made effective;

33.3 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, titles or defenses that the respective Parties may have under or pursuant to all Applicable Law.

33.4 On the approval of this Scheme by the shareholders and such other classes of Persons of the said Parties, if any, the 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 demerger, amalgamation set out in this Scheme, related matters and this Scheme itself.

34 **Modification or Amendments to the Scheme**

34.1 The Board of respective Party may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.

34.2 In the event any authority Tribunal or any other Appropriate Authority imposes any conditions or limitations, including but not limited to transferability, capitalization, or lock-in of shares held by any shareholders or Identified Employees, the Boards of the respective Parties may modify the Scheme in a manner that the Scheme is not prejudicial or adverse to the agreed terms and conditions of the shareholders, including Identified Employees, as set forth in the Scheme.

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34.3 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

35 Severability

35.1 If any part or provision of this Scheme, is found to be unworkable for any reason whatsoever, the same will not, subject to the decision of the Board of Directors of the Parties, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

36 Costs, Charges and Expenses

36.1 Upon the Scheme coming into effect, with effect from the Appointed Date, all costs, charges, and all other expenses in relation or in connection with the filing of the Scheme will be borne by respective Parties as may be decided by their Board of Directors.

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