SCHEME OF ARRANGEMENT (DEMERGER)

BETWEEN

AUTOMOTIVE MANUFACTURERS PRIVATE LIMITED
(“AMPL” or “DEMERGED COMPANY”)

AND

AUTOMOTIVE MOBILITY PRIVATE LIMITED
(“AMBPL” or “RESULTING COMPANY”)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013)

PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1) **Part I** deals with Preamble, Description of companies and Rationale

2) **Part II** deals with Definitions & Share Capital

3) **Part III** deals with the Demerger, transfer and vesting of Demerged Undertaking of Automotive Manufacturers Private Limited into Automotive Mobility Private Limited

4) **Part IV** deals with Remaining Undertaking and consequential matters relating to tax

5) **Part V** deals with the General Terms and Conditions that will be applicable to the Scheme.

PART I – PREAMBLE, DESCRIPTION OF COMPANIES & RATIONALE

1. PREAMBLE

1.1. This Scheme of Arrangement (Demerger) ["**the Scheme**"] is presented pursuant to the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) between Automotive Manufacturers Private Limited and Automotive Mobility Private Limited.

1.2. At present there are following two undertakings under Automotive Manufacturers Private Limited ("Demerged Company") namely:

i. Dealership of Maruti Suzuki India Ltd for the state of Maharashtra, commercial vehicle body building business branded under the name Automotive Plus (AMPL Plus), Registered Vehicle Scrapping Facility (RVSF) business branded under the name Automotive Renew and Sports Division branded under the name Automotive Sport (hereinafter referred to as **"Maharashtra Division")**.

ii. Dealership of Mahindra and Mahindra Ltd in the states of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Kerala and Maharashtra; dealership of Kobelco Construction Equipment India Pvt Ltd in the states of Andhra Pradesh and Telangana; dealership of KIA Motors India Ltd in the states of Telangana, Karnataka, Kerala and Delhi; dealership of JSW MG Motor India Ltd. in the state of Telangana; dealership of Piaggio Vehicles Pvt Ltd in the States of Andhra Pradesh and Telangana; dealership of Ashok Leyland in the states of Andhra Pradesh, Telangana, West Bengal, Uttar Pradesh and Maharashtra (hereinafter referred to as **"AP & Telangana Division")**.

1.3. This Scheme is for the demerger, transfer and vesting of the Demerged Undertaking (as defined hereinafter) of Automotive Manufacturers Private Limited ("**Demerged Company**"), on a going concern basis, into Automotive Mobility Private Limited ("**Resulting Company**").

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

2. DESCRIPTION OF COMPANIES

2.1 **Automotive Manufacturers Private Limited** (hereinafter referred to as **"Demerged Company")**, is a private limited company, having CIN U34100MH1948PTC006781, incorporated under the Companies Act, 1913 on December 1, 1948 and having its registered office at 108, Bazar Ward, Kurla Mumbai - 400070. The Demerged Company is engaged in the business of automobile dealership, trading of automobiles consisting of all types of commercial/ passenger vehicles/ construction equipments, their spare parts/accessories and also rendering related services which includes repairs and maintenance of these vehicles.

2.2 **Automotive Mobility Private Limited** (hereinafter referred to as **"Resulting Company")**, is a private limited company, having CIN U45200TS2025PTC193919, incorporated under the Companies Act, 2013 on 12.02.2025 and having its registered office at Post Box No. 1627, 8571, Rashtrapathi Road, Secunderabad, Hyderabad 500003, Telangana. The Resulting Company is engaged in the business of automobile dealership, trading of automobiles inter alia consisting of all types of commercial/passenger vehicles, construction equipment and their spare part/accessories and related services including repairs and maintenance of these vehicles.

The Demerged Company and the Resulting Company are hereinafter collectively referred to as the "**Companies**".

3. RATIONALE FOR THE SCHEME

The Board of Directors of the Demerged Company and the Resulting Company have decided to demerge and transfer the Demerged Undertaking (as defined hereinafter) from the Demerged Company to the Resulting Company respectively for the following reasons:

3.1 The demerger would facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the Demerged Undertaking in the Resulting Company.

3.2 The demerger would provide a platform for having a concentrated approach thereby resulting in better strategic, operational and administrative efficiency.

3.3 The proposed demerger, transfer and vesting will enhance value for shareholders and allow a focused strategy which would be in the best interest of the Demerged Company and the Resulting Company and their respective shareholders, creditors and all persons connected therewith.

3.4 There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The demerger will not impose any additional burden on the members of the Demerged Company or the Resulting Company. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders.

PART II – DEFINITIONS AND SHARE CAPITAL

4. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

4.1 **"Accounting Standard"** means the Indian Accounting Standards as prescribed under Companies (Accounting standard) Rules, 2021 and any amendments thereto.

4.2 "**Act**" or "**the Act**" means the Companies Act, 2013 and rules made thereunder and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;

4.3 **“Applicable Law”** means all applicable statutes, enactments, acts of legislature or Parliament, laws ordinances, rules, bye-laws, regulations, notifications, circulars, guidelines, policies, directions, directives and orders of Government, statutory authority, NCLT, courts of India having the force of law enacted (any statutory modifications or re-enactment thereof for the time being in force).

4.4 “**Appointed Date**” means the commencement of business on April 1st, 2025 or such other date directed by or stipulated by the National Company Law Tribunal, as may be applicable.

4.5 **Appropriate Authority’** means and includes any applicable Governmental, statutory, departmental or public body or authority including the Central Government, Registrar of Companies, Tax Authority and NCLT.

4.6 “**Board of Directors**” or “**Board**” shall mean the Board of Directors or any committee thereof of the Demerged Company and Resulting Company, as the context requires;

4.7 **“Book Value(s)”** shall mean the book value(s) of the assets and liabilities of the Demerged Undertaking, as the context requires, as appearing in the books of accounts of the Demerged Company, at the close of the business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation;

4.8 “**Companies**” means Demerged Company and Resulting Company collectively;

4.9 "**Demerged Company"** means Automotive Manufacturers Private Limited, a private limited company incorporated under the Companies Act, 1913 and having its registered office at 108, Bazar Ward, Kurla Mumbai - 400070;

4.10 **“Demerged Undertaking”** means the AP & Telangana Division of the Demerged Company mentioned in Clause 1.2(ii) and which on a going concern basis (as on the Appointed Date and as modified and altered from time to time upto the Effective Date) along with all property and assets whether movable and immovable, leasehold or free hold, tangible and intangible; investments, accruals, liabilities, employees would be transferred to and vested in the Resulting Company. The Demerged Undertaking shall without limitation include the following:

a) All identified assets and liabilities of the Demerged Company pertaining to AP & Telangana Division as mentioned in Clause 1.2(ii).

b) The immovable properties as are more fully set out in **Schedule A** annexed hereto for the purpose of identification and including all rights, interest and benefits accrued or arising therefrom. It is expressly provided that if any immovable properties specified in **Schedule A** are sold or otherwise transferred before the Effective Date, then the sale proceeds of such immovable properties after payment of applicable taxes and duties shall be treated as part of the Demerged Undertaking.

c) The investments in shares and securities as determined by the Board of Directors of the Demerged Company including all rights, interest and benefits accrued or arising therefrom. It is expressly provided that if any investments are sold or otherwise transferred before the Effective Date, then the sale proceeds of such investments after payment of applicable taxes and duties shall be treated as part of the Demerged Undertaking.

d) Without prejudice to the generality of the provisions of sub-clause (a) above, the Demerged Undertaking to be transferred to the Resulting Company shall include accruals, rights, interest, debts, liabilities, contingent liabilities, duties, obligations and provisions and all other assets and properties, present or contingent and including but without being limited to vehicles, fixed assets, current assets, unbilled revenues, provisions, funds, leases, licences, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile, connections, communication facilities, equipment and installations, permits, and intellectual properties, benefits of agreements, engineers, brokers and other vendors or materials and services, labour contractors, right, title, interest in and all obligations relating to or in connection with all applications for approvals/No Objections made by the Demerged Company in relation to the Demerged Undertaking to all statutory/local authorities and in particular the certifications, registrations with government/local authorities/statutory bodies, public sector undertakings, other industrial units, permits, allotments and other statutory registrations, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, advances, receivables, benefits, concessions, reliefs (including but not limited to the benefit/s in terms of various statutes and/or schemes of Union, State and Local Governments/bodies and/or otherwise) and all other rights, claims and powers of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favor of or enjoyed by the Demerged Company in relation to the Demerged Undertaking and all earnest money and /or deposits including security deposits paid by the Demerged Company in relation to the Demerged Undertaking.

e) For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking to be transferred or demerged into the Resulting Company include:

   i. The liabilities which arise out of the activities or operations of the Demerged Undertaking wherever so situated;

   ii. Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Demerged Undertaking for the benefit or business operations;

   iii. Liabilities other than those referred to in (i) and (ii) above and not directly relatable to the Demerged Undertaking or the Remaining Undertaking being the amount of borrowings or credit facilities of the Demerged Company shall be allocated to the Demerged Undertaking in the same proportion in which the book value of the assets transferred under this clause bears to the total book value of the assets of the Demerged Company immediately before the Appointed Date.

f) All the employees of the Demerged Company employed in the Demerged Undertaking and such other employees as identified by the Board of Directors of the Demerged Company, as on the Effective Date along with all the benefits that they would be entitled to, including but not limited to provident fund, gratuity, pension, or any other special funds for such employees.

g) All books, records, files, papers, directly or indirectly relating to the Demerged Undertaking;

h) The right to use trademark and word mark "Automotive" subject to the agreement being entered into between the Demerged Company and Resulting Company.

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

4.11 "**Effective Date**" means the date or last of the dates on which the certified copy of the order of the NCLT sanctioning this Scheme of Arrangement (Demerger) is filed with the Registrar of Companies. Any reference in the Scheme to "On the Scheme becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date";

4.12 **"Governmental Authority"** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India;

4.13 **"Income-tax Act"** means the Income-tax Act, 1961 including any statutory modifications, re-enactments or amendments thereto.

4.14 **"National Company Law Tribunal" or "NCLT"** or **"Tribunal"** means Mumbai bench or the Hyderabad Bench of the National Company Law Tribunal, as the context requires, constituted under the Companies Act, 2013 and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction under section 230 to 234 of the Companies Act, 2013.

4.15 **“Record Date”** shall mean the date to be fixed jointly by the Board of Directors of the Demerged Company and the Resulting Company for the purposes of determining the equity shareholders of the Demerged Company, to whom shares would be issued and allotted by the Resulting Company as consideration for the demerger in accordance with Clause 14 of this Scheme.

4.16 **“Registrar of Companies” or “RoC” means the** Jurisdictional Registrar of Companies having jurisdiction over the Demerged Company.

4.17 **“Remaining Business” or “Remaining Undertaking”** shall mean the business, operations, assets, liabilities, employees and divisions of the Demerged Company, save and except the Demerged Undertaking transferred to and vested in the Resulting Company respectively pursuant to this Scheme. The Remaining Undertaking is more specifically referred to in Clause 16 of this Scheme.

4.18 "**Resulting Company"** means Automotive Mobility Private Limited, a private limited company incorporated under the Companies Act, 2013 and having its registered office at automobile dealership, trading of automobiles *inter alia* consisting of all types of commercial/passenger vehicles, construction equipment and their spare part/accessories and related services including repairs and maintenance of these vehicles;

4.19 **“Scheme of Arrangement (Demerger)”** or **“the Scheme”** or “**this Scheme**” means this Scheme of Arrangement (Demerger) in its present form (along with any annexures, schedules etc., attached hereto, if any) or with any modification(s) and amendments as may be made from time to time in accordance with the terms hereof or with any modification(s) approved, imposed, or directed by the NCLT.

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 ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

The words importing the singular include the plural, words importing any gender include every gender.

5. DATE OF TAKING EFFECT AND OPERATIVE DATE

5.1 The Scheme shall come into legal operation from the Appointed Date mentioned herein but shall be effective from the Effective Date. The demerger, transfer and vesting of the Demerged Undertaking between the Demerged Company and the Resulting Company and their respective shareholders and creditors shall be in accordance with Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will, however, not affect other parts of the Scheme.

6. SHARE CAPITAL

6.1 The authorized, issued, subscribed and paid-up share capital of the Demerged Company as per the audited financial statements as on March 31, 2024 is as under:

Particulars	Amount (INR)
AUTHORISED SHARE CAPITAL 10,00,000 Equity Shares of INR 100/- each	10,00,00,000
Total	**10,00,00,000**
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL 8,61,298 Equity Shares of INR 100/- each	8,61,29,800
Total	**8,61,29,800**

Subsequent to March 31, 2024, the Demerged Company has bought back 1,89,347 Equity Shares of Rs 100/- each from its shareholders under section 68 of the Companies Act, 2013. Consequently, the authorized, issued, subscribed and paid-up capital of the Demerged Company after such buy-back and as per the unaudited financial statements as on October 31, 2024 is as follows:

Particulars	Amount (INR)
AUTHORISED SHARE CAPITAL 10,00,000 Equity Shares of INR 100/- each	10,00,00,000
Total	**10,00,00,000**
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL 6,71,951 Equity Shares of INR 100/- each	6,71,95,100
Total	**6,71,95,100**

6.2 The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on March 31, 2025 is as under:

Particulars	Amount (INR)
AUTHORISED SHARE CAPITAL 1,00,000 equity shares of face value of INR 10/- each	10,00,000
Total	**10,00,000**
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL 10,000 Equity Shares of INR 10/- each	1,00,000
Total	**1,00,000**

Subsequent to March 31, 2025, there has been no change in the authorized, issued, subscribed and paid-up capital of the Resulting Company.

PART III - DEMERGER, TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY ON A GOING CONCERN BASIS

7. DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

7.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall, pursuant to the provisions contained in sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be demerged and transferred from the Demerged Company and vested in the Resulting Company, or be deemed to have been demerged and transferred from the Demerged Company and vested in the Resulting Company, as a going concern so as to become, as and from the Appointed Date, the assets and liabilities, the undertaking, the estate, rights, titles and interest and authorities including accretions and appurtenances thereto of the Resulting Company and there shall be vested in the Resulting Company, all the rights, titles, interests or obligations of the said Demerged Undertaking therein subject to the existing securities, mortgages, charges, encumbrances or liens, if any, affecting the same as on the Effective Date.

7.2 All immovable property (including land, buildings and any other immovable property), as on the Appointed Date, of the Demerged Undertaking, whether freehold or leasehold, and any documents, title, rights and easements in relation to such immovable properties, shall stand transferred to the Resulting Company automatically without requirement of execution of any further documents for registering the name of the Resulting Company as owner thereof and the regulatory authorities, including Sub-Registrar of Assurances, Talati, Tehsildar etc. may rely on the Scheme along with the copy of the Order passed by the NCLT, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Resulting Company as owner of the immovable properties. For the purpose of vesting of immovable properties to the Resulting Company, the Demerged Company is hereby empowered/ authorized to execute any documents/ enter into any arrangements for and on behalf of the Resulting Company. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of immovable property of the Demerged Undertaking is given to the Resulting Company.

Provided that for the purpose of giving effect to the vesting order passed under the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Demerged Undertaking in accordance with the provisions of the Act at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

7.3 Any and all assets, as on the Appointed Date, relating to the Demerged Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recorded pursuant to this Scheme shall stand transferred and vested with the Resulting Company, without requiring any deed or instrument of conveyance for the same, and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and vested accordingly.

7.4 Any and all movable properties of the Demerged Undertaking as on the Appointed Date, other than those specified in 7.3 above, including investments, intangible assets, actionable claims, sundry debtors, 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 Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, be transferred and vested as the property of the Resulting Company. The Demerged Company and the Resulting Company shall give notice in such form as it may deem fit and proper, to each party, debtor or person to whom deposits have been given, as the case may be, that pursuant to the NCLT having sanctioned the Scheme, the said debt, loan, advance, etc., be 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 realize the same stands transferred to the Resulting Company and that appropriate entry should be passed in their respective books to record the aforesaid changes.

7.5 All assets, rights, title, interest and authorities acquired by the Demerged Company pertaining to the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.

7.6 In relation to other assets belonging to Demerged Undertaking, which require separate documents for vesting in the Resulting Company, or which the Demerged Company and/ or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.

7.7 The Resulting Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

7.8 The transfer and vesting of the transferred assets of the Demerged Undertaking of the Demerged Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof relatable to the transferred assets and such charges, mortgages, if any should not be enlarged / increased for any reason as a consequence of this Scheme becoming effective.

7.9 The investments in shares and securities as determined by the Board of Directors of the Demerged Company including all rights, interest and benefits accrued or arising therefrom, being an integral part of the Demerged Undertaking, shall be transferred to and vested into the Resulting Company. It is expressly provided that if any investments are sold or otherwise transferred before the Effective Date, then the sale proceeds of such investments after payment of applicable taxes and duties shall also be transferred to the Resulting Company on the Scheme becoming effective.

8. TRANSFER OF DEBTS AND LIABILITIES

8.1 With effect from the Appointed Date and upon the Scheme becoming effective:

(a) All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description attributable to the Demerged Undertaking, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Demerged Company, shall, without any further act or deed, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, be transferred to, or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

However, the Resulting Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Demerged Undertaking or in favour of any other party to the contract or arrangement to which the Demerged Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions.

(b) All liabilities of the Demerged Undertaking which may accrue or arise on or after the Appointed Date shall also be transferred to the Resulting Company, without any further act or deed, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, so as to become the debts, liabilities, duties and obligations of the Resulting Company.

(c) All the secured and unsecured creditors of the Demerged Company relating to the Demerged Undertaking as on the Appointed Date and upto the Effective would become the secured and unsecured creditors of the Resulting Company and all their rights, terms, conditions existing prior to the Scheme would continue to exist and be performed by the

Resulting Company without any alteration or variation. Upon the Demerged Undertaking being transferred and vested with the Resulting Company, the rights and interests of the secured and unsecured creditors of the Remaining Business would not be affected or prejudiced in any manner.

(d) Where any of the liabilities and obligations attributed to the Demerged Undertaking on the Appointed Date has been discharged by the Demerged Company on behalf of the Demerged Undertaking after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.

8.2 All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the Demerged Undertaking shall be transferred to and discharged by the Resulting Company.

8.3 The demerger, transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Demerged Undertaking, provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the other assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages if any subsisting, over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in the Resulting Company, and the Resulting Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

8.4 Without prejudice to the provisions of the above sub-clauses and upon coming into the effect of this Scheme, the Demerged Company and the Resulting Company shall execute any instrument and/ or document and to do all acts and/ or deeds as may be required, including filing of necessary particulars and/ or modification of charge with the respective Registrar of Companies/ Ministry of Corporate Affairs **("**MCA**")** to give formal effect to the above provisions, if required.

8.5 Any contingent liability pertaining to the Demerged Undertaking as on the Appointed Date shall be assumed by the Resulting Company and accordingly, the contingent liabilities of the Demerged Company, on any date after the Appointed Date shall be deemed to have been reduced to the extent of contingent liabilities taken over by the Resulting Company as aforesaid.

8.6 As regards any tax liability (including interest, penalty or any amount paid on composition) arising in connection with Income-tax, Goods and Service Tax, Service Tax, Excise, Customs, VAT etc in relation to the Demerged Undertaking, the Resulting Company undertakes to settle the liability directly or reimburse to the Demerged Company, if discharged by the Demerged Company directly.

9. CONTINUATION OF LEGAL PROCEEDINGS:

9.1 If any suit, appeal, petition, complaint, application or other legal proceedings of whatsoever nature (hereinafter referred to as the **"Proceedings")** by or against the Demerged Company in relation to the Demerged Undertaking is pending as on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger or by anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Resulting 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 Demerged Company in the absence of this Scheme.

9.2 The Resulting Company hereby undertakes to have all legal proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking referred to in Clause 9.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged

Company. Both the Demerged Company and the Resulting Company shall make relevant applications in that behalf.

9.3 Notwithstanding the above, in case the Proceedings referred to in Clause 9.1 above cannot be transferred for any reason, the Demerged Company shall defend the same in accordance with the advice of the Resulting Company and the Resulting Company shall reimburse, indemnify and hold harmless the Demerged Company against all costs, liabilities and obligations incurred by the Demerged Company in respect thereof.

9.4 The Resulting Company hereby undertakes to have all future legal proceedings initiated against the Demerged Company for the matters relating to the Demerged Undertaking transferred to its name.

10. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

10.1 For avoidance of doubt and without prejudice to the generality of Clauses 7, 8 and 9 above, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, subject to the provisions hereof, without any further act of the parties, all memorandum of understanding, contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, engagements, registrations, schemes, assurances, insurance policies, guarantees and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or have effect on the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party to or beneficiary of or obliged under the same.

10.2 Without prejudice to the other provisions of this Scheme, the Resulting Company may, at any time, after the Scheme comes into effect in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations, novations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above.

10.3 It is hereby clarified that if any contracts, deeds, bonds, agreements, registrations, licenses, assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets), schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such contracts, deeds, bonds, agreements, registrations, licenses, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, on and till the Effective Date.

10.4 For avoidance of doubt and without prejudice to the generality of Clauses 10.1 to 10.3 above, it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant laws, all consents, permits, permissions, licenses, registrations, certificates, quota, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company for the Demerged Undertaking, and the rights and benefits under the same, in so far as they relate to the Demerged Company, all quality certifications and approvals, domain names, copyrights, brands, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Company of the Demerged Undertaking, shall without any further act or deed, be transferred and/or deemed to be transferred to and vested in the Resulting Company under the same terms and conditions as were applicable to the Demerged Company immediately prior to the Effective Date. In so far as the various incentives, sales tax, GST deferral benefits, subsidies (including applications for subsidies), available tax credits (including Minimum Alternate Tax credit, if any), rehabilitation schemes, grants, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of or to be availed of by the Demerged Company for the Demerged Undertaking are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Company, shall be transferred and / or deemed to be transferred to or vest with and be available to the Resulting Company on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme. The Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect or the Resulting Company shall make applications to and obtain relevant approvals from the concerned Governmental Authorities and / or parties as may be necessary in this behalf and the Demerged Company shall co-operate and provide the required support wherever required

10.5 As a consequence of the demerger, transfer and vesting of the Demerged Undertaking to the Resulting Company in accordance with this Scheme, the recording of change in name from the Demerged Company to the Resulting Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

11. EMPLOYEES, STAFF AND WORKMEN OF DEMERGED UNDERTAKING

11.1 All the employees of the Demerged Undertaking of the Demerged Company, who are in service as on the Effective Date shall on and from the Effective Date and with effect from the Appointed Date, become and be engaged as the employees of the Resulting Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date. Services of the employees of the Demerged Undertaking of the Demerged Company shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account.

11.2 On and from the Effective Date and with effect from the Appointed Date, the services of the employees of the Demerged Undertaking will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.

11.3 It is expressly provided that, on the Scheme becoming effective and with effect from the Appointed Date, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the staff, workmen and other employees of the Demerged Undertaking shall become trusts / funds of the Resulting Company for all purposes whatsoever in relation to the administration or operation of such funds or trusts or in relation to the obligation to make contributions to the said funds or trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds or other documents, if any. It is the aim, and intent of the Scheme that all rights, duties, powers and obligations of the Demerged Company in relation to such funds or trusts shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Demerged Undertaking which are employed with the Resulting Company will be treated as having been continuous for the purpose of the said fund or funds. The trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee / person duly authorised by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Undertaking of the Demerged Company.

11.4 Any disciplinary action initiated by the Demerged Company against any employee of the Demerged Undertaking shall have full force, effect and continuity as if it has been initiated by the Resulting Company instead of the Demerged Company.

11.5 All the employees of the Remaining Undertaking shall remain in the Demerged Company.

12. <u>SAVING OF CONCLUDED CONTRACTS/ TRANSACTIONS ALREADY COMPLETED</u>

12.1 The demerger, transfer and vesting of the Demerged Undertaking and all contracts under the Scheme to the Resulting Company, and the continuance of all proceedings by or against the Resulting Company under the provisions hereof shall not affect any contracts or proceedings relating to the Demerged Undertaking already concluded by the Demerged Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds, matters and things done and / or executed by the Demerged Company in regard thereto as having been done or executed on behalf of the Resulting Company.

13. CONDUCT OF BUSINESS OF DEMERGED UNDERTAKING TILL EFFECTIVE DATE

13.1 Unless otherwise stated herein, from the Appointed Date till the Effective Date, the business shall be conducted as may be decided by the Board of Directors of Demerged Company.

13.2 With effect from the Appointed Date and upto and including the Effective Date, the Demerged Company:

(a) is and shall be deemed to have been carrying on and shall carry on all business and activities relating to the Demerged Undertaking and stand possessed of the properties to be transferred, for and on account of and in trust for the Resulting Company;

(b) any loans and liabilities repaid, incurred, charges/ mortgages created and/ or satisfied of all the business and activities relating to the Demerged Undertaking shall be to the account of and in trust for the Resulting Company;

(c) all profits accruing to the Demerged Company or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the profits or losses as the case may be of the Resulting Company;

13.3 The Demerged Company and the Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned (including but not limited to application for registration for Goods and Service Tax), wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Demerged Undertaking.

14. CONSIDERATION FOR THE DEMERGER OF THE DEMERGED UNDERTAKING

14.1 Upon this Scheme becoming effective and upon the demerger, transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company, in terms of this Scheme, the Resulting Company shall, at the option of the equity shareholders of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Resulting Company and subject to Clause 14.7 below, by way of issuing election notice in accordance with Clause 14.7 discharge the consideration as below:

*a) "1 (One) fully paid up equity shares of Rs 10/- (Rupees Ten Only) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid up equity shares of Rs 100/- (Rupees Hundred Only) each held in the Demerged Company on the Effective Date (hereinafter referred to as the **"Share Exchange Ratio"**)"*

or

b) *Consideration of Rs 2,100 (Rupees Two Thousand and One Hundred Only) for every 1 (One) fully paid up equity shares of Rs 100/- (Rupees Hundred Only) each held in the Demerged Company on the Record Date*

However, if the Demerged Company or the Resulting Company, with mutual consent of the board of directors of both the companies alters its equity share capital by issue of right or bonus shares, convertible debentures or otherwise or decrease, reduce, reclassify, sub-divide or consolidate, re-organize, or in any other manner, the Share Exchange Ratio as mentioned above would be suitably modified.

Collectively all the equity shares issued by the Resulting Company to the equity shareholders of the Demerged Company pursuant to the Scheme shall be known as the "**New Equity Shares**".

All fractional entitlements, if any, arising due to the issue of new equity shares as mentioned above by the Resulting Company to the equity shareholders of the Demerged Company as aforesaid shall be rounded off to the nearest integer.

14.2 In any event, equity shareholders holding not less than three-fourths ($3/4^{th}$) in value of equity shares in the Demerged Company shall become equity shareholders of the Resulting Company. If shareholders holding more than one-fourths ($1/4^{th}$) in value of the shares in the Demerged Company opt for consideration as referred to in 14.1(b) above, then the option so exercised by such shareholders shall stand modified on a proportionate basis to ensure that equity shareholders holding not less than three-fourths ($3/4^{th}$) in value of the shares in the Demerged Company become equity shareholders of the Resulting Company.

14.3 The New Equity Shares to be issued by the Resulting Company to the equity shareholders of the Demerged Company shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and the New Equity Shares shall rank *pari passu* in all respects with the existing equity shares in the Resulting Company.

14.4 Resulting Company shall take necessary steps to increase or alter or re-classify, (if necessary) its authorised share capital suitably to enable it to issue and allot the New Equity Shares required to be issued and allotted by it under Clause 14.1 of this Scheme

14.5 The approval of this Scheme by the shareholders of the Resulting Company under Sections 230 to 232 of the Act shall be deemed to have the approval under Sections 13, 14, 42 and Section 62(1)(c) of the Act as applicable and any other provisions of the Act and any other consents and approvals required in this regard.

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

14.7 **Election notice**

a) The Resulting Company shall dispatch the format of notice ("**Election Notice**") to each of the equity shareholders of the Demerged Company whose name appear in the Register of Members of the Demerged Company on the Record Date, which shall allow equity shareholders of the Demerged Company to choose from options mentioned in Clause 14.1 above and contain the required information as may be necessary to give effect to options as referred to in Clause 14.1 above

b) Such Election Notice shall be dispatched within 7 (seven) days of the Effective Date,

c) Such equity shareholders of the Demerged Company shall be required to submit duly filled-up Election Notice to the Resulting Company on or before expiry of 15 (Fifteen) days from the date of dispatch of such Election Notice. The equity shareholders of the Demerged Company are mandatorily required to exercise either of the option which shall be provided to them in the election notice in entirety and not in parts.

d) If any of such equity shareholders of the Demerged Company has not submitted the duly filled-up Election Notice to the Resulting Company withing the stipulated time as mentioned above or has not provided requisite details as may be required in relation to the option or where such Election Notice has not been received by the Resulting Company or the Election Notice has returned undelivered, in the event such equity shareholder shall be issued Equity Shares as referred to in Clause 14.1(a)

15. ACCOUNTING TREATMENT

Treatment in the books of the Demerged Company

15.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013 read with the Company (Accounting Standards) Rules, 2021, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

15.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company shall, record the deletion of the assets and liabilities of the Demerged Undertaking transferred to and vested in the Resulting Company pursuant to this Scheme at their respective Book Values as appearing in its books of accounts as at the close of business of a day immediately preceding the Appointed Date.

15.3 The excess of assets over liabilities recorded under Clause 15.2 above shall be adjusted against Retained Earnings.

15.4 Any matter not dealt within this Clause 15 hereinabove shall be dealt with in accordance with the applicable Accounting Standard.

Treatment in the books of the Resulting Company

15.5 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company shall record the assets and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective Book Values excluding the revaluation impact, if any, as appearing in the books of the Demerged Company.

15.6 The Resulting Company shall credit to its share capital account, the aggregate face value of the New Equity Shares issued by it pursuant to Clause 14.1 of this Scheme.

15.7 The surplus or deficit, if any, of the net value of assets and liabilities pertaining to the Demerged Undertaking acquired and recorded by the Resulting Company over the consideration issued shall be adjusted in the reserves in the financial statements of the Resulting Company.

15.8 It is hereby clarified that pursuant to this Scheme, all transactions conducted during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking shall be duly reflected in the financial statements of the Resulting Company, upon the Scheme coming into effect.

15.9 If considered appropriate for the purpose of application of uniform accounting methods and policies between the Demerged Company and the Resulting Company, the Resulting Company may make suitable adjustments and adjust the effect thereof to the Profit and Loss account of the Resulting Company.

PART IV – REMAINING BUSINESS & CONSEQUENTIAL MATTERS RELATING TO TAX

16. REMAINING BUSINESS

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

16.2 All legal, taxation or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company (or successor thereof). The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company (or successor thereof) relating to the Remaining Business.

16.3 All contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature other than those relating to the Demerged Undertaking to which the

Demerged Company is a party, subsisting or having effect on or before the Effective Date shall continue to be in full force and effect by or against the Demerged Company.

16.4 The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf.

16.5 All profits accruing to the Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company (or successor thereof).

16.6 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against any of the Resulting Company in relation to Remaining Business including litigations, suits, recovery proceedings relating to labour issues, the Demerged Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Demerged Company. Any other litigation, suit, recovery proceedings of labour matters pertaining to Remaining Business that may, arise after the Effective Date, shall also be continued and enforced by or against the Demerged Company and no liability shall be vested in the Resulting Company.

17. CONSEQUENTIAL MATTERS RELATING TO TAX

17.1 This demerger under Part III 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 or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the relevant provisions of the Income-tax Act (including the conditions set out therein), at a later date, whether as a result of a new enactment or any amendment or coming into force of any provision of the Income-tax Act or any other Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the Demerged Company and the Resulting Company shall discuss in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.

17.2 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/ or indirect, payable by or on behalf of the Demerged Undertaking of the Demerged Company from the

Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to carry forward of accumulated losses under the Income-tax Act, 1961, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and credits pertaining to indirect taxes such as Cenvat credit, VAT credit etc of the Resulting Company.

17.3 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, excise (including Modvat / Cenvat), customs, VAT, goods and service tax, sales tax, service tax etc relating to the Demerged Undertaking to which the Demerged Company is entitled to shall be available to and vest in the Resulting Company.

17.4 The Demerged Company and the Resulting Company are expressly permitted to make and/ or revise their income tax returns and related TDS certificates and the right to claim refund, advance tax credits etc. on the Scheme becoming effective as on the Appointed Date and their right to make such revisions in the Income Tax Returns and related Tax Deducted at Source Certificates and the right to claim refunds, advance tax credits, withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme and the Scheme becoming effective expressly granted.

17.5 In accordance with the Goods and Service Tax Act as are prevalent on the Effective Date in respect of each state, the unutilized credits, benefits, exemptions, if any, relating to GST paid on inputs, work in process, capital goods lying in the accounts of the Demerged Company relating to the Demerged Undertaking shall be permitted to be transferred to the credit of the Resulting Company, as if all such unutilized credits were lying to the account of the Resulting Company and accordingly the Resulting Company us entitled to set off all such unutilized credits against the GST payable by it.

17.6 The benefits in respect of all Taxes deducted at source (‘TDS’), Taxes collected at source (‘TCS’), payments in respect of advance Taxes, self-assessment Taxes, Tax on regular assessments made or otherwise recovered by the Appropriate Authorities on or after the Appointed Date in the name and PAN of the Demerged Company but relating to the profits, income or gains of the Demerged Undertaking shall be deemed to be the Taxes deducted, collected, paid, recovered, as the case may be, by or from the Resulting Company and the credit in respect thereof shall be available in the hands of the Resulting Company.

17.7 The Resulting Company shall be entitled to claim deduction under Section 43B of the Income-tax Act in respect of unpaid liabilities, if any 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 by the Resulting Company subsequent to the Appointed Date.

17.8 The Resulting Company shall be entitled to claim deduction under Section 36(1)(vii) read with Section 36(2) of the Income-tax Act in respect of the debts as on the Appointed Date transferred to it, if any as part of the Demerged Undertaking to the extent they are written off as irrecoverable by the Resulting Company as and when the same are so written off by the Resulting Company subsequent to the Appointed Date.

17.9 The Resulting Company shall be entitled to claim deduction under section 40(a) of the Income-tax Act in respect of the expenditure disallowed in the hands of the Demerged Company, if any, under that section prior to the Appointed Date and in respect of which the TDS liability is transferred to the Resulting Company as part of the liabilities of the Demerged undertaking as and when such TDS liability is discharged by the Resulting Company after the Appointed Date.

17.10 If the Demerged Company is entitled to any unutilized credits, 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.

17.11 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise / modify their respective financial statements and returns of income 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.

17.12 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, before or after the Appointed Date.

17.13 Any Tax incentives, subsidies, exemptions, special status, Tax benefits (including but not limited to export incentives, credits/ incentives in respect of income tax, sales tax, GST, turnover tax, excise duty, etc.), unutilized GST credits, duty drawbacks, and other benefits, credits, exemptions or privileges enjoyed, granted by an Appropriate Authority or availed of by the Demerged Company and/or benefits under incentive schemes and policies relating to the Demerged Undertaking shall, without any further act or deed, in so far as they relate to or are available for the operation and activities of the Demerged Undertaking on or after the Appointed Date and to the extent permissible under applicable Tax Laws, vest with and be available to Resulting Company on the same terms and conditions, as if the same had been originally allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company. The Demerged Company and Resulting Company shall take such actions as may be necessary under Applicable Laws to effect such transfers.

17.14 Each of the Resulting Company and the Demerged Company shall be entitled to file/ revise /modify its income-tax returns, TDS/TCS certificates, TDS/TCS returns, GST returns and other statutory returns, notwithstanding that the period for filing/ revising such returns may have lapsed and to obtain TDS/TCS certificates, including TDS/TCS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance Tax credits, input Tax credit (if transferable), credits of all Taxes paid/withheld/ collected, if any, to the extent permissible under applicable Tax Laws as may be required consequent to implementation of this Scheme.

17.15 All the expenses incurred by Demerged Company and/or the Resulting Company in relation to the Scheme, shall be allowed as deduction to Demerged Company and the Resulting Company in accordance with the relevant provisions of the Income-tax Act.

17.16 After the Appointed Date and upto the Effective Date, any Tax deposited, certificates issued or returns filed by the Demerged Company relating to the Demerged Undertaking shall continue to hold good as if such amounts were deposited, certificates were issued and returns were filed by Resulting Company.

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

17.18 Upon the Effective Date, all demands, claims, show cause notices, suits, actions, administrative proceedings, tribunal proceedings, Taxes and other related disputes resolution proceedings of whatsoever nature (including proceedings under the applicable GST law, however, excluding any proceedings under the provisions of the Income Tax Act), by or against the Demerged Company, pending on the Effective Date relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against Resulting Company with effect from the Effective Date in the same manner and to the extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such 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.

17.19 Notwithstanding anything contained hereinabove, 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 Resulting Company. However, if the Demerged Company is unable to get 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 Board of Resulting Company and such cost shall be borne by Resulting Company and the latter shall reimburse the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

PART V – GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

18. APPLICATION TO NCLT

18.1 The Companies shall obtain the requisite consents, approval or permission of any statutory authority as may be required or which by law may be necessary.

18.2 The Companies shall, with reasonable dispatch, apply to the NCLT for necessary orders or directions for holding meetings of the members and/or creditors of the Demerged Company and Resulting Company, as the case may be, for sanctioning this Scheme under Section 230 of the Companies Act, 2013 (or such applicable provisions of the Companies Act, 2013, as the case may be) or for dispensing the holding of such meetings and orders under Section 230 to 232 of the Companies Act, 2013 for carrying this Scheme into effect.

18.3 Upon this Scheme being approved by the requisite majority of the members and/or creditors of the Demerged Company and Resulting Company, as the case may be, for sanctioning this Scheme under Section 230 of the Companies Act, 2013 (or such applicable provisions of the Companies Act, 2013, as the case may be) or on dispensing the holding of such meetings by the NCLT, the Companies shall, with all reasonable dispatch, file respective petitions before the NCLT for sanction of the Scheme under

Sections 230 to 232 and other applicable provisions of the Act, and for such other Order or Orders, as the NCLT may deem fit for carrying the Scheme into effect.

18.4 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Resulting Company may require to own and carry on the operations of the Demerged Undertaking of the Demerged Company.

19. MODIFICATIONS / AMENDMENTS TO THE SCHEME

19.1 Subject to the approval of the NCLT, the Demerged Company and Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may consent, on behalf of all persons concerned, from time to time, to any modifications or amendments of the Scheme or to any conditions or limitations that the NCLT or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the NCLT or such other Government Authority, whether in pursuance of a change in law or otherwise. The Demerged Company and Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

19.2 For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the delegate(s) and/ or Directors of the Demerged Company and/or the Resulting Company may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

19.3 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of the Demerged Company and Resulting Company, affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme. It is hereby clarified that the Board of Directors of the Demerged Company and Resulting Company may in their absolute discretion, adopt any part of this Scheme or declare the entire Scheme to be 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 such case each company shall bear its own cost or bear costs as may be mutually agreed.

20. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to –

20.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

20.2 The Scheme being agreed to by the respective requisite majorities of the members and /or creditors of the Companies, if meetings of members and / or creditors of the said Companies are convened by the NCLT or if dispensation from conducting the meeting of the members and/or creditors of the Companies is obtained from the NCLT.

20.3 Sanctions and orders under the provisions of Sections 230 to 232 and other applicable provisions of the Act being obtained by the Demerged Company and the Resulting Company from the NCLT;

20.4 Certified / authenticated copies of final orders of the NCLT, sanctioning this Scheme, being filed with the respective Registrar of Companies, Maharashtra and Registrar of Companies, Andhra Pradesh and Telangana.

21. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

21.1 In the event of the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

21.2 The Board of Directors of the Demerged Company and Resulting Company shall be entitled to withdraw this Scheme prior to the Effective Date. The Board of Directors of the Demerged Company and Resulting Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the Demerged Company and/ or the Resulting Company.

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

22. EXPENSES CONNECTED WITH THE SCHEME

22.1 All costs, charges, levies, fees, duties and expenses (save and except the stamp duty, if any, payable in relation to this Scheme for transfer of Demerged Undertaking, which shall be borne by the Resulting Company) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.

Schedule A

List of immovable properties pertaining to Demerged Undertaking

S.No	Location and Survey Nos of immovable property	Village	District	State	Pin Code
1	240-2-3A AND B PART, NH-5	GUDAVALLI	KRISHNA	ANDHRA PRADESH	522504
2	SURVEYNO.61, LAKSHMIPURAMPANCHAYAT	DUPADU	KURNOOL	ANDHRA PRADESH	523330
3	PLOTNO.223AND226, IDAAUTONAGAR D BLOCK, IDAAUTONAGAR	VISAKHAPATA NAM	VISAKHAPATA NAM	ANDHRA PRADESH	530012
4	283-2 AND 284, BUDAMPADU GRAMPANCHAYAT	BUDAMPADU	GUNTUR	ANDHRA PRADESH	522017
5	SURVEYNO 111 AND 112, INDUSTRIALPARK	SARPAVARAM	EAST GODAVARI	ANDHRA PRADESH	533005
6	SURVEY NO 42-1CB 42-1CA, S NO 240-1, RAPTADU	PRASANNAYA PALLE	ANANTAPUR	ANDHRA PRADESH	515722
7	SURVEY NO. 423/2 PART, PLOT NO 142 TO 146, IDA VENKATACHALAM	VENKATACHA LAM	SRI POTTI SRIRAMULU NELLORE	ANDHRA PRADESH	524001
8	SURVEY NO 475, 3-305/1, CHAKRADWARA BANDHAM \ PANCHAYAT, VELUGUBANDA	RAJANAGARA M	EAST GODAVARI	ANDHRA PRADESH	533294
9	SURVEY NO 137 138-1A 1B 139-2, 140, CHENNUR MANDAL	CHINNAMACH UPALLI /KADAPA	YSR DISTRICT,	ANDHRA PRADESH	516162
10	SURVEY NO 423/2 &424, PLOT NO 147 TO154, INDUSTRIAL PARK VENKATACHALAM MANDAL	KAKTUR VILLAGE	SRI POTTI SRIRAMULU NELLORE	ANDHRA PRADESH	524320
11	PLOT NO 1 SY NO 130, INDUSTRIAL PARK, MAMBATTU PHASE-II, KONDUR VILLAGE PS	MAMBATTU	SRI POTTI SRIRAMULU NELLORE,	ANDHRA PRADESH	524121

S.No	Location and Survey Nos of immovable property	Village	District	State	Pin Code
12	SURVEY NO 841-2, RENIGUNTA MANDAL, THOOKIVAKAM	RENIGUNTA	CHITTOOR	ANDHRA PRADESH	517520
13	SURVEY NO 39 PART 49, INDUSTRIAL PARK	MANGALAGIRI VILLAGE	GUNTUR	ANDHRA PRADESH	522503
14	SURVEY NO 1042-2 PLOT NO 117 118 121 122 123, INDUSTRIAL DEVELOPMENT AREA,	CHINNACHOWK VILLAGE	YSR DISTRICT, KADAPA (CUDDAPAH)	ANDHRA PRADESH	516002
15	SURVEY NO 191 1A 192, YADAMARRI MANDAL,	KUKKALAPALLE	CHITTOOR	ANDHRA PRADESH	517128
16	SURVEY NO 1607-2, MUTHUKURU MANDAL, EPURU 1B	PANTAPALEM VILLAGE	SRI POTTI SRIRAMULU NELLORE	ANDHRA PRADESH	524323
17	SURVEY NO 211/2A, 211/2A 1, 211/3, YERRAGUNTLA MANDALAM, KAMALAPURAM SUBDIVISION	THIPPALURU VILLAGE	YSR DISTRICT, KADAPA (CUDDAPAH)	ANDHRA PRADESH	516309
18	SURVEY NO 1, PLOT NO 48 TO 50, OLD SINGARAYAKONDA INDUSTRAIL PARK	SINGARAYAKONDA	PRAKASHAM	ANDHRA PRADESH	523101
19	SURVEYNO.58/1, AND 1PATTA NO.215, PARADESIPALEM	PARADESIPALEM	VISAKHAPATNAM	ANDHRA PRADESH	530013
20	POSTBOXNO.1, NATIONALHIWAYNO7, SANTHOSHNAGAR COLONY	KURNOOL	KURNOOL	ANDHRA PRADESH	518001
21	PLOT NO 192-1 D BLOCK, INDUSTRIAL PARK	VISAKHAPATNAM	VISAKHAPATNAM	ANDHRA PRADESH	530013
22	PLOT NO SP3, SY NO 241, INDUSTRIAL GROWTH CENTRE, MADDIPUDI MANDAL,	GUNDLAPALLI VILLAGE	PRAKASAM	ANDHRA PRADESH	523211
23	PLOT NO.8571, POST BOX NO : 1627, R P ROAD	SECUNDERABAD	HYDERABAD	TELANGANA	500003

S.No	Location and Survey Nos of immovable property	Village	District	State	Pin Code
24	SURVEY NO.73, OPP. SUCHITRA ELECTRIONICS, MEDCHAL ROAD,	JEEDIMETLA	RANGAREDDY,	TELANGANA	500055
25	SY.NO.744/6, H.NO.3-108/75/31, BARDIPUR VILLAGE,	DICHPALLY MANDAL	NIZAMABAD	TELANGANA	503175
26	SY.NO.274 TO 278, PLOT NO.8 AND 9 PHASE IV, INDUSTRIAL PARK, PATANCHERU MANDAL,	PASHAMYLARAM	MEDAK	TELANGANA	502319
27	SY.NO.247 PART AND 288, PLOT NO.1A/12/14 TO 18 AND PLOT NO.29 TO 33, NH-9, IOC FILLING STATION	DORAKUNTA VILLAGE KODAD	NALGONDA,	TELANGANA	508206
28	SY.NO.284 SY.NO.624/P 625/P 627/P, GREEN INDUSTRIAL PARK, RAJPUR VILLAGE	JADCHERLA	MAHABUBNAGAR	TELANGANA	509301
29	D.NO.53-17-25/1, D.NO.53-17-25, WARD NO. 10, BHIMUNIPATNAM ROAD	MADDILAPALEM	VISAKHAPATNAM	TELANGANA	530013
30	SY NO. 2/E & 2/E1, CHITTTABOINAPLLY VILLAGE,	JADCHERLA	MAHABUBNAGAR	TELANGANA	509301
31	SY.NO.277, SIKINDRAPUR VILLAGE,JAKRANPALLI MANDAL	SIKINDARPUR	NIZAMBAD	TELANGANA	503175