

SCHEME OF ARRANGEMENT AND DEMERGER

**(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER
APPLICABLE PROVISIONS OF COMPANIES ACT, 2013)**

BETWEEN

PICCADILY AGRO INDUSTRIES LIMITED

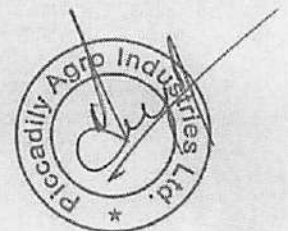
AND

PICCADILY FOOD & ESSENTIALS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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



PART I

A. PREAMBLE

This scheme of arrangement ("**Scheme**") is presented under the provisions of Sections 230 to 232 read with Section 66 and other relevant provisions of the Companies Act 2013 ("the Act") as may be applicable, for the demerger of Demerged Business and Undertaking (as defined hereinafter) and transfer and vesting of the Demerged Business and Undertaking on a going concern basis with the Resulting Company (as defined hereinafter). In addition, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme.

B. INTRODUCTION AND DEFINITIONS

1. INTRODUCTION

- 1.1. Piccadily Agro Industries Limited ("**PAIL**" or "**Demerged Company**") is a Public Company under the provisions of the Act bearing corporate identification number L01115HR1994PLC032244 and Permanent Account Number AABCP7343R. The Demerged Company has its registered office at Vill. Bhadson, Umri-Indri Road Teh. Indri, Dist. Karnal, Haryana, India, 132109 and the equity shares of the Demerged Company are listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**").

The Demerged Company, as per the Main Objects stated in its Memorandum of Association, is primarily authorized to engage in the business of manufacturing liquor and sugar, among other activities.

- 1.2. The Demerged Company operates in two distinct lines of business, namely:

1.2.1 The manufacture of White Crystal Sugar from sugarcane (the "Sugar Business" or the "Demerged Business" or "Undertaking")

1.2.2 The manufacture of Rectified Spirit, Carbon Dioxide Gas, Extra Neutral Alcohol from molasses, rice, wheat, malt, PET, etc. (the "Distillery Business")

- 1.3. Piccadily Food & Essentials Limited ("**PFEL**" or "**Resulting Company**") is a Public Company incorporated under the Act bearing corporate identification number U10720HR2025PLC139275 and Permanent Account Number AAQCP4605D. The Resulting Company has its registered office at 101, 1st Floor, JMD Pacific Square, Sec-15, Part 2, Gurgaon- 122002, Haryana.

- 1.4. The equity shares of the Resulting Company are presently not listed on any Stock Exchange (as defined hereinunder). An application shall be made with the BSE and NSE post the effectiveness of the Scheme, for listing of the equity shares of the Resulting Company so that upon the Demerger of the Demerged Business and Undertaking (as defined hereinunder) into the Resulting Company, the shareholders of the Resulting Company can freely trade in the shares of the Resulting Company.



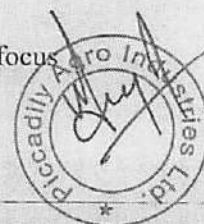
- 1.5. The Resulting Company is authorised by the Main Objects of its Memorandum of Association, to engage, *inter alia*, in the business of manufacture of White Crystal Sugar from sugarcane and as mentioned below.

2. OVERVIEW OF THE SCHEME

- 2.1. This Scheme (as defined hereinafter) is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (as defined hereinafter) and *inter alia* provides for the following:
- 2.1.1. Demerger, transfer and vesting of the Demerged Business and Undertaking (as defined hereinafter) from the Demerged Company into the Resulting Company on a going concern basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof, in accordance with the provisions of Section 2(35) of the Income Tax Act, 2025 ('the ITA ') (as defined hereinafter); and
- 2.1.2. Various other matters consequential or otherwise integrally connected therewith.
- 2.2. The Scheme does not have any adverse effect on either the shareholders or the employees or the creditors of the Demerged Company.
- 2.3. The demerger of Demerged Company is in accordance with the provisions of Section 2(35) of the ITA.
- 2.4. The Scheme has been approved by the respective Board of Directors of each of Demerged Company and the Resulting Company. Accordingly, it has been decided to make the requisite applications/ petitions before the Tribunal (*defined later*) for the sanction of this Scheme.

3. OBJECTS AND RATIONALE OF THE SCHEME -

- 3.1. The Board of the Demerged Company intends to separate the Sugar Business from the Demerged Company through this Scheme which contemplates the demerger of the Demerged Business and Undertaking into and with the Resulting Company. The proposed Scheme would be in the best interests of the Demerged Company, Resulting Company and their respective shareholders, employees, creditors and other stakeholders and is driven by the following business and commercial objectives and likely to result in the following benefits:
- 3.1.1. Demerger of the Demerged Business and Undertaking and transferring it to a separate company would enable both the Demerged Company and the Resulting Company to provide focused attention for growth of their core businesses and attract required investments for growing that business;
- 3.1.2. The Demerged Company and Resulting Company will have the ability to benefit from the portfolio, brand and resources of the Distillery business and Sugar Business respectively to enable it to accelerate and maintain its growth in the respective industry;
- 3.1.3. Implementation of the Scheme is expected to help bring in greater business focus and enhance shareholder value;



- 3.1.4. The Scheme will be conducive to better and more efficient and effective conduct of business and operations of the respective companies, by utilizing the financial resources, managerial talents, technical skills and marketing resources and services delivery capabilities;
- 3.1.5. The Scheme would unlock value for the overall-business portfolio through price-discovery of the individual entities for existing shareholders;
- 3.1.6. The Scheme could lead to the right operating architecture for both companies with sharper focus on their individual business strategies and clear capital allocation, in alignment with the respective value creation journeys;
- 3.1.7. Separately listed companies to attract specific set of investors for their business profile, achieve financial flexibility and consequently, encourage stronger capital market outcomes.

4. **DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME**

This Scheme shall become effective from the Appointed Date (as defined hereinunder) but shall become operative from the Effective Date.

5. **PARTS OF THE SCHEME**

- 5.1. The Scheme has been divided into the following parts:

Part-I contains the preamble, introduction and definitions in relation to the Scheme;

Part-II contains provisions relating to the share capital of the Demerged Company and the Resulting Company, de-merger of Demerged Business and Undertaking to and vesting the same with the Resulting Company;

Part-III contains general provisions that are applicable to the Scheme in its entirety.

6. **DEFINITIONS**

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

“**Act**” means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory replacement or re-enactment thereof;

“**Applicable Laws**” 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 business hours as on 01st April 2027 or such other date as may be approved by the Boards of the Demerged Company and the Resulting Company or such other date as may be approved by the Hon’ble National Company Law Tribunal.

“**Appropriate Authority**” means: (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof; (ii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, Regional Director, Ministry of Corporate Affairs, Registrar of Companies, SEBI, Official Liquidator and the Tribunal; and (iii) any Stock Exchange;

“**Board**” in relation to Demerged Company and the Resulting Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the demerger, the Scheme and/or any other matter relating thereto;

“**BSE**” means BSE Limited;

“**Demerged Business and Undertaking**” means and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wherever situated, of the Demerged Company, in relation to and pertaining to the Sugar Business on a going concern basis, together with all its assets and liabilities as on the Appointed Date and shall mean and include (without limitation):

- a. All assets and properties relating to the Sugar Business of the Demerged Company, whether movable or immovable, present, future, contingent, tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, whether leasehold or freehold including all rights, title, interest, claims, covenants, undertakings of Demerged Company pertaining to the Sugar Business, whether or not recorded in the books of accounts of the Demerged Company, including but not limited to Intellectual Property, inventory (including all raw material, packaging material, work in progress inventory, goods in transit/ stored at depots or warehouses, finished products inventory, etc.), factory buildings, plant and machinery, capital work-in progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (other than those taken for the Demerged Company as a whole or without reference to specific assets relating to the Sugar Business);
- b. All investments, receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, other entitlements of Demerged Company pertaining to the Sugar Business;



- c. 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 pertaining to the Sugar Business;
- d. All Rights, powers, authorities, Permits, quotas, allotments, approvals, subsidy / incentives of whatsoever nature, consents, letters of intent, industrial and other licenses, registrations, contracts, leasehold rights, engagements, other rights, title and interests, powers, facilities, privileges, benefits including tax benefits, software technology park/ export-oriented unit status and advantages of any nature whatsoever;
- e. Any and all patents, trademarks, trade names, copyrights, designs and other industrial or Intellectual Property rights owned or licensed, whether registered or unregistered, pertaining to or relatable to the said Sugar Business or goodwill arising therefrom,
- f. All contracts, agreements, business partnerships and collaborations including brand distribution agreements, service orders, operation and maintenance contracts, memoranda of understanding/ undertaking / agreements, bids, expressions of interests, equipment purchase agreement, letters of intent, lease arrangements, leave and license agreements, contracts pertaining to franchises, brand license, vendors, stores maintenance, housekeeping, security, contract workers, purchase and other agreements with supplier / service providers, other arrangements, undertakings, deeds, bonds, schemes, powers of attorney, insurance covers and claims, and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise, as amended and restated from time to time and all rights, title, interest, assurances, claims and benefits thereunder related to or pertaining to the Sugar Business;
- g. All earnest moneys and/or security deposits paid by the Demerged Company in connection with or relating to the Sugar Business;
- h. All records relating to the Sugar Business, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, Intellectual Property, suppliers, manufacturing, customers, research and development of the Sugar Business' products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;
- i. The Transferring Employees;
- j. All legal, Taxation or other proceedings of whatsoever nature that form part of the Sugar Business which are capable of being continued by or against Resulting Company under Applicable Law;
- k. The Demerged Business and Undertaking Liabilities;



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 Business and Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company;

“Demerged Business and Undertaking Liabilities” means the liabilities defined in Clause 9.3.1 of the Scheme;

“Effective Date” means the date on which certified copy of the Order of the Hon’ble Tribunal under the provisions of the Act sanctioning the Scheme is filed with the Registrar of Companies, NCT of Delhi and Haryana (or any other office of the Registrar of Companies having jurisdiction over the Demerged Company and/or the Resulting Company) after obtaining last of the sanctions, orders or approvals required under the Act and Part III of this Scheme. References in this Scheme to the date of **“coming into effect of this Scheme”** or **“upon the Scheme becoming effective”** or **“upon effectiveness of the Scheme”** shall mean the Effective Date;

“Eligible Shareholder” means a person whose name appears in the register of members of the Demerged Company and/ or whose name appears as the beneficial owner of the shares of the Demerged Company in the record of the depositories on the Record Date;

“Encumbrance” means any form of legal or equitable encumbrance or security interest including any mortgage, pledge, hypothecation, assignment by way of security, non-disposal undertaking, escrow, charge, lien or other security interest or encumbrance of any kind securing any obligation of any Person (including, without limitation, any right granted by a transaction or other type of preferential arrangement or interest of any nature whatsoever which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law), outstanding Taxes (which have become due and payable), option, pre-emptive right, proxy, power of attorney, voting agreement, right of first offer, first, last or other refusal right, or transfer restriction in favour of any Person, beneficial ownership, adverse claim, title retention agreement, conditional sale agreement, any provisional, conditional or executorial attachment, trust (other title exception of whatsoever nature), any agreement to create any of the foregoing or any adverse claim as to title, possession or use and the term **“Encumber”** shall be construed accordingly

“Income Tax Act” means the Income-tax Act, 2025 including re-enactment, if any;

“Intellectual Property” means all intellectual property rights of any nature whatsoever, past, present, and future rights of the following types, which may exist or be created under the laws of any jurisdiction including know-how, knowledge of Sugar Business, confidential information and trade secrets and the right to use and protect confidential information, trademarks, service marks, logos, brand names, trade dress, domain names, trade and business names and all associated goodwill, copyright, moral rights and related rights, rights in computer software, database rights, designs, digital platforms, algorithms, applications (including hardware, software, licenses and scripts), lists of present and former customers and suppliers, other customer information approvals, marketing intangibles, Permits, permissions, incentives, privileges, special status, designs, research and studies, all employment information, all other records and documents and any other intellectual property rights and all rights



or forms of protection, subsisting now or in the future, having equivalent or similar effect to the rights referred to above, anywhere in the world, whether unregistered or registered, owned, licensed or otherwise, in physical or electronic form.

“**NSE**” means National Stock Exchange of India Limited;

“**Order**” means the orders of the Tribunal approving the Scheme;

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

“**Permits**” means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

“**Person**” means an individual, (including in his capacity as trustee), entity, a corporation, a partnership (whether limited or unlimited) a company an association, a trust a joint venture, proprietorship or other enterprise (whether incorporated or not), an unincorporated organization Hindu Undivided Family, trust, union, association of persons or any governmental authority or any agency, department, authority or political subdivision thereof, and shall include their respective successors, successors-in-interest and in case of an individual shall include his/ her legal representatives, administrators, executors, permitted assignees, liquidators, and heirs and in case of a trust, shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

“**Record Date**” means the date to be fixed by the Board of the Demerged Company in consultation with the Board of the Resulting Company for the purpose of reckoning names of the equity shareholders of Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of this Scheme as specified in Clause 11.1;

“**Remaining Employees**” means the employees of the Demerged Company other than Transferring Employees;

“**Residual Undertaking/Remaining Business**” means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than the Demerged Business and Undertaking;

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

“**Scheme**” or “**this Scheme**” means this Scheme of Arrangement and Demerger in its present form and with any modifications as mutually agreed by the parties herein and approved by the Hon’ble Tribunal;

“**SEBI**” means the Securities and Exchange Board of India;

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



“SEBI Schemes Master Circular” means Master Circular No. SEBI/HO/CFD/POD2/P/CIR/2023/93 dated June 20, 2023, issued by SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;

“Stock Exchanges” means BSE and NSE collectively;

“Sugar Business” means the division of the Demerged Company engaged in business of manufacturing, marketing, sales and/or distribution of white crystal sugar from sugarcane and allied products including sugar candy, jaggery, sugar beet, sugar cane, molasses, syrups, melada and all sugar products, such as confectionery, glucose, canned fruits and all kind of food products and/or by products such as baggasse boards, paper, bee-yl alcohol acetone;

“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 direct or indirect, including income tax (including withholding tax, dividend distribution tax, TDS/TCS), GST, excise duty, central sales tax, service tax, octroi, local body tax and customs duty, duties, charges, unearned income, transfer charges, fees, surcharge, cess, levies or other similar assessments by or payable to an Appropriate Authority, including in relation to: (a) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (b) any interest, fines, penalties, assessments, or additions to tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof.

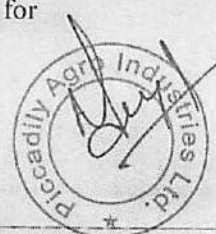
“Transferring Employees” means all staff, workmen, officers and other employees in the service of of the Demerged Company engaged in or in relation to the Demerged Business and Undertaking as on the Effective Date.

“Tribunal” means the Hon’ble National Company Law Tribunal, Chandigarh having jurisdiction over the Parties and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable.

7. INTERPRETATION

In this Scheme, unless the context otherwise requires:

- (i) Words denoting singular shall include plural and vice versa.
- (ii) Headings, subheadings, titles, subtitles to clauses and sub-clauses are for convenience only and shall be ignored for the purposes of interpretation;



- (iii) References to the word "include" or "including" shall be construed without limitation;
- (iv) A reference to an article, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, section, paragraph or schedule of this Scheme;
- (v) Unless otherwise defined, the reference to the word "days" shall mean calendar days;
- (vi) References to dates and times shall be construed to be references to Indian dates and times;
- (vii) Reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (viii) Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.
- (ix) Reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and
- (x) 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, Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 or any other Applicable Laws, rules, regulations, byelaws, as the case may be.



PART II

DEMERGER OF THE DEMERGED BUSINESS AND UNDERTAKING

8. SHARE CAPITAL AND OBJECTS

8.1. The share capital of Demerged Company as on 31st March 2026 is as under:

Particulars	Amount (in INR)
Authorised Share Capital	
11,00,00,000 Equity Shares of Rs. 10/- each	1,10,00,00,000
Total	1,10,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
9,85,71,508 Equity Shares of Rs. 10/- each fully paid-up	98,57,15,080
Total	98,57,15,080

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

8.2. The share capital of the Resulting Company as on 31st March 2026 is as under:

Particulars	Amount (in INR)
Authorised Share Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000
Total	
Issued, Subscribed and Paid-Up Share Capital	
10,000 Equity Shares of Rs. 10/- each fully paid-up	1,00,000
Total	1,00,000

The entire share capital of the Resulting Company as on 31st March 2026 is held by the Demerged Company. As on the date of Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the issued, subscribed and paid-up share capital of the Resulting Company.

8.3. The main objects of Demerged Company and the Resulting Company are as follows:

8.3.1. Demerged Company:

1. *To carry on all or any of the business of manufactures, importers, exporters and dealers in all types and grade of Sugar and its allied products. To purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally to deal in sugar, sugar candy, Jaggery, sugar beet, sugar cane, molasses, syrups, melada, alcohol, spirits and Rice, Rice bran, oils, fats, tea, herbals, medicines all sugar products, such as confectionery, glucose, sugar candy, canned fruits and all kind of food products, golden syrup and aerated waters and/or by products such as baggasse boards.*



paper, beer, alcohol acetone, carbon dioxide, hydrogen, potash, Can wax and food products generally and in connection therewith to acquire, construct, or any of its products and acquire or manufacture machinery for any of the above purposes.

2. *To buy or generate for its own use of distribution otherwise steam, heat, light electricity, gas or other motive power.*
3. *To carry on all or any of the business of manufactures, Importers and exporters, distributors processors and otherwise dealers in all types or raw materials like Sulphur, Lime, Chemicals Packing materials, gunny bags, plastic and synthetic bags, metallic and non metallic bag and containers.*
4. *To carry on all or any of the business of manufacturer, importers, exporters, dealers in all types and grades of Beer and its allied products.*
5. *To carry on all or any of the business of manufacturers, importers, exporters, dealers and all types and grades of milk, milk products, dairy products, chocolates, ice cream, cheese, dry milk, flavoured milk, "milk drinks".*
6. *To carry on the business of mineral water, soft drinks, fruit drinks, artificial flavoured drinks.*
7. *To carry on business of contractors. Builders, Town planners, infrastructure developers, Estate developers.*
8. *To conduct the business of music entertainment and Hospitality, event management service on variety of areas including corporate events (product launches, press conferences, corporate meetings and conferences), marketing programs (road shows, grand opening events), and special corporate hospitality events like concerts, award ceremonies, film premieres, Launch/release party, fashion shows, commercial events, private and personal events such as weddings, birthday celebrations and such other events of like nature.*

8.3.2. Resulting Company:

1. *To carry on the business of manufacturing sugar and other byproducts made from sugar i.e. ethanol, power and liquor.*
2. *To carry on all or any of the business of manufacturers, importers, exporters and dealers in all types and grade of Sugar, products made from sugar, biofuel and products made from byproducts of sugar, and generation of power, its use, sell and distribution; to purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally deal in sugar, sugar candy, biofuel, Jaggery, sugar beet, sugar cane, molasses, syrups, melada, alcohol, spirits, Rice, Rice bran, oils, fats, tea, herbals, medicines, all sugar products such as confectionery, glucose, sugar candy, canned fruits and all kind of food products, golden syrup and aerated waters and/or by products such as baggasse and its derivatives and byproducts, boards, paper, alcohol, acetone, carbon dioxide, hydrogen, potash, Can wax and food products generally; and in connection therewith to acquire, construct or otherwise deal in any of its products and to acquire or manufacture machinery for any of the aforesaid purposes; to buy or generate for its own use or for sale and distribution steam, heat, power, electricity and other captive power from various sources of energy for consumption, sale and export; and to carry on all or any of the business of manufacturer, importers, exporters, distributors, processors and otherwise dealers in all*



types of raw materials like Sulphur, Lime, Chemicals, Packing materials including materials used for production, storage, distribution and sales including products produced, packaged or distributed locally such as gunny bags, plastic and synthetic bags, metallic and on metallic bags and containers.

3. *To carry on all or any of the business of manufacturers, importers, exporters and dealers in all types and grades of alcohol and its allied products; to carry on all or any of the business of manufacturers, importers, exporters and dealers in all types and grades of milk, milk products, dairy products, chocolates, ice cream, cheese, dry milk, flavoured milk and milk drinks; to carry on the business of mineral water, soft drinks, fruit drinks and artificial flavoured drinks; to carry on the business of contractors, builders, town planners, infrastructure developers and estate developers; and to conduct the business of music entertainment and Hospitality, event management service in a variety of areas including corporate events such as product launches, press conferences, corporate meetings and conferences, marketing programs such as road shows and grand opening events, special corporate hospitality events like concerts, award ceremonies, film premieres, launch or release party, fashion shows, commercial events, and private and personal events such as weddings, birthday celebrations and other events of like nature."*

9. **DEMERGER AND VESTING OF DEMERGED BUSINESS AND UNDERTAKING**

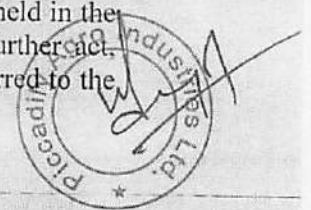
- 9.1. On occurrence of the Effective Date and with effect from the Appointed Date, all assets, Permits, liabilities, contracts, legal proceedings, duties and obligations related to the Demerged Business and Undertaking of Demerged Company shall, pursuant to Section 230 to 232 and/or other applicable provisions of the Act and Section 2(35) of the ITA and other applicable provisions of the ITA and other applicable Taxation Laws, and without any further act, instrument or deed, be demerged and be transferred to and vested in, or be deemed to have been transferred to and vested in, Resulting Company, at the values appearing in the books of account maintained by Demerged Company for the Demerged Business and Undertaking, as a going concern, so as to become as and from the Appointed Date, the assets, Permits, liabilities, contracts, legal proceedings, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme. Provided however, the Scheme shall not operate to enlarge the security for any loan, deposit or facility available to Demerged Company which shall vest in Resulting Company by virtue of the demerger of the Demerged Business and Undertaking, and Resulting Company shall not be obliged to create any further additional security there-for, nor shall Demerged Company be under any obligation in relation to such loan, deposit or facility, after the demerger of the Demerged Business and Undertaking has become effective, and Demerged Company and its assets shall be released and discharged from all obligations, charges and encumbrances in respect of the loans or borrowings attributable to the Demerged Business and Undertaking.

Without prejudice to the generality of Clause 9.1 above, upon this Scheme becoming effective and with effect from the Appointed Date:

9.2. **TRANSFER OF ASSETS**

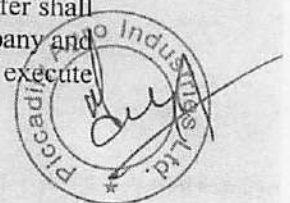


- 9.2.1. All immovable property and assets pertaining to the Demerged Business and Undertaking, whether freehold or leasehold and whether or not included in the books of the Demerged Company and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company, and without any approval or acknowledgement of any third party. Upon the Scheme coming into effect on the Effective Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all Taxes, duties and charges, and fulfill all obligations, in relation to or applicable to such immovable properties and assets. The mutation/substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the Appropriate Authorities pursuant to the sanction of the Scheme by the Tribunal and the Scheme becoming effective on the Effective Date in accordance with the terms hereof. Demerged Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Demerged Business and Undertaking is given to the Resulting Company in accordance with the terms hereof. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 9.2.1 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 Business and Undertaking takes place and the Demerged Business and Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the Order of the Tribunal sanctioning this Scheme;
- 9.2.2. All the assets of the Demerged Business and Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- 9.2.3. With respect to the moveable assets of the Demerged Business and Undertaking other than those referred to in Clause 9.2.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares (including in subsidiaries and joint ventures engaged in the Sugar Business), mutual funds, bonds and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the



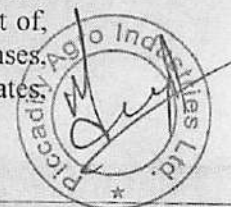
Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

- 9.2.4. 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 Business and 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.
- 9.2.5. Subject to other provisions of this Scheme, in so far as the assets forming part of the Demerged Business and Undertaking are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of the Remaining Business of the Demerged Company, shall, as and from the Effective Date, without any further act, instrument or deed, stand released and discharged and shall no longer be available as Encumbrances in relation to those loans, liabilities, borrowings of the Demerged Company pertaining to the Remaining Business of the Demerged Company (and which shall continue with the Demerged Company);
- 9.2.6. Subject to Clause 9 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 Business and 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
- 9.2.7. Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Business and Undertaking, shall be transferred to the Resulting 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 favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Demerged Company to carry on the operations of the Demerged Business and Undertaking without any hindrance, whatsoever.
- 9.2.8. Contracts in relation to the Demerged Business and 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 effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company shall, wherever necessary, enter into and/or execute



deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

- 9.2.9. Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, insurance policies and other instruments of whatever nature relating to the Demerged Business and Undertaking to which Demerged Company is a party or those subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of Resulting Company and may be enforced as fully and effectually against or in favour of Resulting Company as if Resulting Company had been a party thereto instead of Demerged Company.
- 9.2.10. All agreements or arrangements entered into by Demerged Company with the collaborators, bankers, distributors, agents, lessors, customers, vendors, suppliers and others, if any, relating to the Demerged Business and Undertaking, shall continue to be in full force and effect and may be enforced by or against Resulting Company, as if Resulting Company had been a party thereto instead of Demerged Company.
- 9.2.11. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 9 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the 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 Business and Undertaking transferred to and registered in, the name of the Resulting Company, as per Applicable Law.
- 9.2.12. With effect from the Appointed Date, all Permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Business and Undertaking to which Demerged Company is party or to the benefit of which Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be enforceable as fully and effectually as if, instead of Demerged Company, Resulting Company had been a party or beneficiary or obligee thereto.
- 9.2.13. Any statutory or regulatory licenses, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Business and Undertaking granted to Demerged Company in relation to the Demerged Business and Undertaking shall stand transferred and vested in the Resulting Company, without any further act, instrumental or deed required by either of Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licenses, permissions, grants, allotments, recommendations, no-objection certificates,



permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Demerged Business and Undertaking shall also stand transferred and vested in and become available to the Resulting Company pursuant to this Scheme without any further act, instrument or deed required by either Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the Scheme becoming effective in accordance with the terms hereof.

9.3. TRANSFER OF LIABILITIES

9.3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the debts, liabilities, loans, obligations and duties of Demerged Company relating to the Demerged Business and Undertaking outstanding as on the Appointed Date, and all other liabilities which may accrue or arise on or after the Appointed Date but which relates to the period up to the Effective Date ("**Demerged Business and Undertaking Liabilities,**"), shall be deemed to be included in and shall form part of the liabilities and obligations of the Demerged Business and Undertaking and Resulting Company unconditionally and irrevocably undertakes to meet, discharge and satisfy such liabilities and obligations of the Demerged Business and Undertaking. The term "Demerged Business and Undertaking Liabilities" shall include:

- (i) All the debts, duties, obligations and liabilities, including contingent liabilities which arise out of the activities or operations of the Demerged Company in relation to the Sugar Business and all other debts, liabilities, duties, and obligations of the Demerged Company relating to the Demerged Business and Undertaking which may accrue or arise after the Appointed Date but which related to the period upto the day immediately preceding the Appointed Date;
- (ii) The specific loans and borrowings raised, incurred and utilized solely for the activities and operations of Demerged Company in relation to the Sugar Business; and
- (iii) Liabilities other than those referred to in sub-clauses (i) and (ii) above and not directly relatable to the Sugar Business, being the amounts of any general or multipurpose borrowings of Demerged Company as stand in the same proportion which the value of assets transferred under this clause of Sugar Business bears to the total value of the assets of Demerged Company immediately before the Appointed Date;

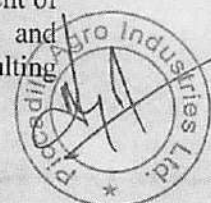
9.3.2. Upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Demerged Business and Undertaking Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such respective Demerged Business and Undertaking Liabilities.



- 9.3.3. 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 Business and Undertaking stands transferred to the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;
- 9.3.4. In so far as Encumbrances, if any, in respect of the Demerged Business and 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 Business and Undertaking which have already been Encumbered in respect of the Demerged Business and Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Resulting Company, provided that if any of the assets comprised in the Demerged Business and Undertaking being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Business and Undertaking Liabilities, such assets shall remain unencumbered, and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Resulting Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- 9.3.5. In so far as the assets of the Remaining Business of the Demerged Company are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings forming part of the Demerged Business and Undertaking Liabilities shall, without any further act, instrument or deed be released and discharged from such Encumbrances. The absence of any formal amendment which may be required by a lender or trustee or third party in order to effect such release shall not affect the operation of Clauses 9.2.5, 9.3.4 and this Clause 9.3.5

9.4. INVESTMENT & BORROWING LIMITS

- 9.4.1. Upon the coming into effect of this Scheme, the investment limits of the Resulting Company in terms of Section 186 of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate investments forming part of the Demerged Business and Undertaking transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing investment limits of the Resulting Company; and
- 9.4.2. Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 180(1) (c) of the Act shall be deemed to be increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Demerged Business and Undertaking Liabilities transferred by the Demerged Company to the Resulting



Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Resulting Company.

9.5. TRANSFER OF LEGAL PROCEEDINGS

9.5.1. Any and all pending suits/appeals, all legal, taxation or other proceedings relating to the Demerged Business and Undertaking, initiated by or against Demerged Company, including those in the nature of administrative, legal, judicial or quasi-judicial or any other proceedings under the Applicable Laws

- a. at or prior to the Appointed Date; or
- b. after the Appointed Date, but prior to the Effective Date,

shall not abate, be discontinued or be in any way prejudicially affected by reason of demerger of the Demerged Business and Undertaking but the proceedings may be continued, prosecuted and enforced by or against Resulting Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against Demerged Company, as if the demerger had not been implemented.

9.5.2. If any proceedings in relation to the Demerged Business and Undertaking are initiated against Demerged Company after the Effective Date, Demerged Company shall promptly notify Resulting Company and Resulting Company shall take all steps necessary to defend such proceedings. Without prejudice to Resulting Company's obligations, if Demerged Company is required to defend or chooses to defend any such proceedings, for any reason, then Demerged Company may, at its sole discretion, do so at the cost, risk and responsibility of Resulting Company and Resulting Company shall pay all liabilities, damages, costs, expenses which Demerged Company has incurred or may incur in relation to such proceedings and Resulting Company shall indemnify and keep indemnified Demerged Company from and against all liabilities, damages, claims, costs and expenses incurred by or suffered by Demerged Company in respect of such proceedings. If in the course of any tax or other proceedings initiated against Demerged Company, any claim is recoverable from Demerged Company or any refund is due to Demerged Company, any such claim shall be payable by Resulting Company and any such refund shall be due to Resulting Company to the extent the claim or refund relates to the Demerged Business and Undertaking.

9.5.3. The Resulting Company undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 9.5.1 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.

9.6. TRANSFER OF EMPLOYEES

All Transferring Employees, shall become the staff, workmen, officers and employees of Resulting Company on the basis that:



- a. Their services shall have been continuous and shall not have been interrupted by reason of the transfer by way of demerger of the Demerged Business and Undertaking;
- b. Services of such staff, workmen, officers and employees with Demerged Company up to the Effective Date shall be taken into account for purposes of all retirement, terminal and other benefits including retrenchment compensation, superannuation, gratuity, to which they may be eligible in Resulting Company;
- c. The terms and conditions of service as applicable to such staff, workmen, officers and employees immediately after the Effective Date shall not, in any way be less favourable to them than those applicable to them immediately before the Effective Date;
- d. In so far as the provident fund, gratuity fund, superannuation fund, trusts, retirement funds or benefits and any other funds or benefits or schemes (including any employee stock option schemes or plans or stock appreciation rights), existing or created by the Demerged Company for the Transferring Employees or to which the Demerged Company is contributing for the benefit of the Transferring Employees and other such funds, the benefits of which the Transferring Employees enjoy (collectively referred to as the "**Demerged Business and Undertaking Employee Benefit Funds**"), such proportion of the liabilities which are attributable/referable to the Transferring Employees, all contributions and amounts standing to the credit of such Demerged Business and Undertaking Employee Benefit Funds for the benefit of the Transferring Employees and the investments made in the Demerged Business and Undertaking Employee Benefit Funds in relation to the Transferring Employees shall be transferred to: (i) similar fund(s)/ trust(s)/ scheme(s) nominated by the Resulting Company or (ii) to such new fund(s)/ trust(s)/ scheme(s) to be established (if any) by the Resulting Company and caused to be recognized by the Appropriate Authorities, as applicable. Pending the transfer as aforesaid, the contributions in relation to the Transferring Employees may be continued to be deposited in the existing relevant Demerged Business and Undertaking Employee Benefit Funds. It is the aim and intent of this Scheme that all the rights, powers, duties and obligations respectively of Demerged Company in relation to such Demerged Business and Undertaking Employee Benefit Funds shall become those of Resulting Company, as if Resulting Company is a party thereto in place of Demerged Company. The services of Transferring Employees shall be treated as having been continuous for the purpose of such Demerged Business and Undertaking Employee Benefit Funds.

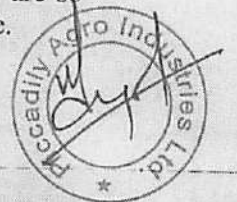
9.7. TAXES

- 9.7.1. This demerger under Part II of the Scheme complies with the definition of demerger as per section 2(35) and other provisions of the ITA. 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 ITA (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 ITA 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.

- 9.7.2. The accumulated losses and allowances for unabsorbed depreciation of the Demerged Company for the period prior to the Appointed Date, if any, shall be apportioned between the Demerged Company and the Resulting Company in accordance with the provisions of Section 116(6)(b) of the ITA and shall be allowed to be carried forward and set off in the hands of the respective Parties against their respective profits for the period after the Appointed Date without any specific approval or permission. The benefit in respect of the unutilised Minimum Alternate Tax credit, as on the Appointed Date, if any, in respect of or relatable to the Demerged Undertaking shall be carried forward for allowance in the hands of the Resulting Company.
- 9.7.3. 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.
- 9.7.4. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), excise (including Modvat/Cenvat), customs, value added tax, sales tax, service tax, Goods and Service tax to which Demerged Company is entitled in relation to the Demerged Business and Undertaking shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or Demerged Company and without any approval or acknowledgement of any third party.
- 9.7.5. Upon the Scheme coming into effect on the Effective Date with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of Demerged Company until the Effective Date shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Demerged Business and Undertaking during such period.
- 9.7.6. The Resulting Company shall be entitled to claim deduction under Section 37 of the ITA in respect of unpaid liabilities transferred to it as part of the Demerged Business and 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.
- 9.7.7. The Resulting Company shall be entitled to claim deduction under Section 31(2) of the ITA in respect of the debts as on the Appointed Date transferred to it as part of the Demerged Business and 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.



- 9.7.8. 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 Laws as may be required consequent to implementation of this Scheme.
- 9.7.9. If the Demerged Company receives any refunds under Tax Laws that the Resulting Company is entitled to receive, the Demerged Company shall promptly pay the Resulting Company the amount of refund so received. If the Resulting Company receives any refunds under Tax Laws that the Demerged Company is entitled to receive, the Resulting Company shall promptly pay the Demerged Company the amount of refund so received.
- 9.7.10. The benefits and privileges available to the shareholders of the Demerged Company by virtue of their shareholding in the Demerged Company, including on account of being a listed company under the provisions of the ITA shall continue to be available to the shareholders of the Demerged Company post the effectiveness of the Scheme including those specifically conferred under the respective provisions of the ITA, allocation of cost of acquisition of shares between the Demerged Company and Resulting Company including grand fathering benefit for the purposes of Section 198 of the ITA read with Section 90(7) of the ITA, period of holding or any other deduction or concession available or conferred by the ITA or administrative or judicial pronouncements.
- 9.7.11. 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 ITA.
- 9.7.12. 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 Business and Undertaking shall continue to hold good as if such amounts were deposited, certificates were issued and returns were filed by Resulting Company.
- 9.7.13. It is expressly clarified that with effect from the Appointed Date, all taxes payable in relation to the Demerged Business and Undertaking including all or any refunds of the claims shall be treated as the tax liability or refunds/claims as the case may be of Resulting Company.

9.8. BANK ACCOUNTS

- 9.8.1. Pursuant to the Scheme coming into effect, the name of the Resulting Company shall be updated and the Resulting Company shall be the account holder with respect to all bank accounts of the Demerged Company which relate solely to the Demerged Business and Undertaking.



9.8.2. With effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company for the Demerged Business and Undertaking have been updated to record the name of the Resulting Company as the account holder, the Resulting Company shall be entitled to operate such bank accounts of the Demerged Company in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, pay orders, electronic fund transfers (such as NEFT, RTGS, etc.) which are in the name of the Demerged Company and received or presented for encashment after the Effective Date and relate to the Demerged Business and Undertaking, shall be deemed to have been in the name of the Resulting Company and shall be accepted by the Demerged Company and promptly credited to the account of the Resulting Company, or if presented by the Resulting Company or received through electronic transfers and shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company. Similarly, the banker of the Resulting Company shall honour all cheques/ electronic fund transfer instructions issued by the Demerged Company for payment prior to the Effective Date. The Resulting Company shall be allowed to maintain bank accounts that are in the name of the Demerged Company, for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, subject to Applicable Law. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company in relation to or in connection with the Demerged Business and Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

9.9. **MISCELLANEOUS**

The transfer and vesting of the Demerged Business and Undertaking as specified in this Part II shall not affect any transaction or proceeding already completed by Demerged Company on and after the Appointed Date and to the end and intent Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of Demerged Company as acts, deeds and things done and executed by and on behalf of Resulting Company.

10. **CONDUCT OF BUSINESS**

10.1. With effect from the Appointed Date and until occurrence of the Effective Date, Demerged Company shall be deemed to carry on all its businesses and activities and stand possessed of its properties and assets relating to the Demerged Business and Undertaking and the Demerged Business and Undertaking Liabilities, for and on account of and in trust for Resulting Company; and all the profits accruing to Demerged Company and all taxes thereon or losses or all loans and all liabilities and obligations arising or incurred by it, in relation to the operations of the Demerged Business and Undertaking shall, for all purposes, be treated as and deemed to be and accrue as the profits or losses, as the case may be, of Resulting Company. On occurrence of the Effective Date, Resulting Company shall commence and carry on and shall be authorized to carry on the businesses carried on by Demerged Company with reference to the Demerged Business and Undertaking immediately prior to the Effective Date.



- 10.2. For the purpose of giving effect to the vesting order passed under Sections 230 and 232 and/or any other applicable provisions of the Act in respect of this Scheme by the Tribunal, Resulting Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the recording of the change in the legal right(s) upon the vesting of the Demerged Business and Undertaking in accordance with the provisions of Sections 230 and 232 and/or any other applicable provisions of the Act. Resulting Company shall be authorised to execute any writings as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.
- 10.3. Pending sanction of the Scheme, Resulting Company shall be entitled to apply to the Central and the State Governments, all other applicable authorities, agencies and/or other organizations, for such consents, approvals, permissions and sanctions as may be required to own and operate the Demerged Business and Undertaking, and Demerged Company shall provide such assistance as may be required by Resulting Company in this regard.

11. **CONSIDERATION**

- 11.1. Upon this Scheme coming into effect, and in consideration of the transfer and vesting of the Demerged Business and Undertaking from the Demerged Company to the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further application, act or deed, issue and allot its equity shares, credited as fully paid-up, to the Eligible Shareholders of the Demerged Company, holding fully paid up equity shares and whose names appear in the register of members, including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, 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 on the Record Date in the following manner:

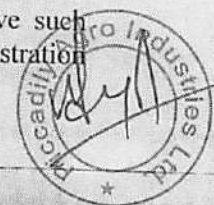
“for every 9 (Nine) equity shares of face value of Rs. 10/- fully paid up held in the Demerged Company, 1 (One) equity share of face value of Rs. 10/- credited as fully paid up in the Resulting Company”, (“Share Entitlement Ratio”).

The shares issued by the Resulting Company pursuant to this Clause 11.1 are hereinafter referred to as “**Resulting Company New Shares**”. For the purpose of such allotment, if a member of Demerged Company is entitled to receive any fractional equity shares in the capital of Resulting Company, shall be aggregated and held by a trust, nominated by the Board of the Resulting Company in that behalf who shall sell such shares in the market at available market price, within a period of 90 days from the date of allotment of shares, as per the Scheme and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Resulting Company in proportion to their respective fractional entitlements ignored for the purpose of allotment and sold by the trustee upon consolidation.

- 11.2. Without prejudice to the generality of Clause 11.1, the Demerged Company and the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Appropriate Authorities and undertake necessary compliance for the issuance and allotment of the Resulting Company New Shares.



- 11.3. The equity shares to be issued by the Resulting Company pursuant to Clause 11.1 above shall be issued in dematerialised form to the Eligible Shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the Eligible Shareholders to the Demerged Company provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date or such other period as provided under the applicable laws. All those equity shareholders who hold shares of the Demerged Company in physical form shall receive equity shares in dematerialized form only, provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, the Resulting Company shall keep such shares in abeyance / escrow account / with a trustee nominated by the Board of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company and/or its registrar, if permitted under Applicable Law.
- 11.4. The equity shares to be issued by the Resulting Company pursuant to Clause 11.1 in respect of such of the equity shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company or shall be dealt with as provided under the Applicable Law.
- 11.5. The Resulting Company New Shares to be issued by the Resulting Company in respect 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 Shares to be issued to the equity shareholders of the Demerged Company held in the Investor Education and Protection Fund Authority ("IEPF") shall be issued to IEPF in favour of such equity shareholders by the Resulting Company.
- 11.6. 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.
- 11.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of Demerged Company, the Board of Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company after the Scheme is affected. The Board of Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration



of new members in the Resulting Company on account of difficulties faced in the transition period.

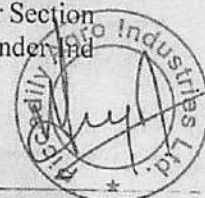
- 11.8. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari passu inter-se* in all respects including dividends declared, voting and other rights. The issue and allotment of equity shares of Resulting Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under sections 42 and 62 of the Act and any other applicable provisions of the Act have been complied with.
- 11.9. In the event the Demerged Company restructures its share capital by way of share split or consolidation or any other corporate action before the Record Date, the share entitlement ratio set out in Clause 11.1 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.
- 11.10. Notwithstanding anything to the contrary contained in this Scheme, the Demerged Company shall be able to raise capital (by issue of shares on rights basis or preferential basis, issue of convertible instruments or otherwise) as they may deem fit for their business requirements from time to time during the period between the approval of the Scheme by the Board of the Demerged Company and the Board of the Resulting Company and the Effective Date. There shall be no change in the share entitlement ratio set out in Clause 11.1 on account of such capital raise and the said share entitlement ratio shall be applicable on the expanded capital, if any, of the Demerged Company.
- 11.11. The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Schemes Master Circular and other relevant provisions as may be applicable including, seeking exemption from Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957.
- 11.12. The equity shares allotted by the Resulting Company pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges. The Resulting Company will not issue/ reissue any shares, not covered under this Scheme, till the date of listing of the equity shares issued under this Scheme on the Stock Exchanges.

12. ACCOUNTING TREATMENT

Any matter not dealt with in this Clause hereinbelow shall be dealt with in accordance with the applicable accounting standards prescribed under the Act.

12.1. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

- (i) Notwithstanding anything to the contrary contained herein, the Demerged Company shall give effect to the demerger of the Demerged Business and Undertaking in accordance with the accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as notified under Section 133 of the Act ("Ind AS"), as amended and on the date as determined under Ind AS



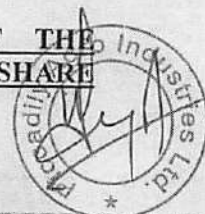
- (ii) The assets and liabilities of the Demerged Company pertaining to the Demerged Business and Undertaking being transferred to the Resulting Company shall be at values appearing in the books of accounts of the Demerged Company on the close of business of the day immediately before the Appointed Date.
- (iii) The excess of the value of assets over the value of liabilities which have been transferred pursuant to the Scheme shall be appropriated against the general reserve account and where there remains any outstanding balance, after appropriation from the general reserve account, will be further adjusted against the Profit and Loss Account of the Demerged Company or the treatment will be given as per the applicable law in force on the Effective date of the Scheme.
- (iv) The excess of the value of liabilities over the value of assets which have been transferred pursuant to the Scheme shall be credited to general reserve or any other reserve as per the law in force on the Effective date of the Scheme

12.2. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

- (i) Notwithstanding anything to the contrary contained in any other clause in the Scheme, Resulting Company shall give effect to the Scheme in the books of account in accordance with the "Pooling of Interest" method as laid down in Appendix C of Indian Accounting Standards Ind AS") 103 - Business Combinations, prescribed under Section 133 of the Act and the Companies (Indian Accounting Standard) Rules, 2015 (as amended) and the generally accepted accounting principles in India.
- (ii) Upon coming into effect of the Scheme and upon the arrangement becoming operative, the Resulting Company shall record the assets and liabilities comprised in the Demerged Business and Undertaking transferred to and vested in it pursuant to this Scheme, at the same value appearing in the books of Demerged Company on the close of business of the day immediately before the Appointed Date
- (iii) The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the new equity shares issued to the shareholders of Demerged Company pursuant to the Scheme
- (iv) The difference being excess or deficit, if any, of assets over liabilities recorded by the Resulting Company over the amount credited as share capital, as specified above, shall be recorded as an adjustment to Capital Reserve Account or such other reserve as applicable and not routed through the statement of Profit and Loss.
- (v) The financial statements of the Resulting Company shall be restated in accordance with the requirements of Appendix C of Ind AS 10.

13. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE RESULTING COMPANY

13.1. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE RESULTING COMPANY IN RELATION TO AUTHORISED SHARE CAPITAL



- 13.1.1. Upon the Scheme becoming effective but prior to the issue of the Resulting Company New Equity Shares, the authorised share capital of the Resulting Company shall stand altered and increased, without any further act, instrument or deed on the part of the Resulting Company as under:

Authorised Share Capital	
1,10,00,000 Equity shares of INR 10 each	Rs. 11,00,00,000
Total	Rs. 11,00,00,000

- 13.1.2. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended and be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs. 11,00,00,000 /- (Rupees Eleven Crores only) consisting of 1,10,00,000 (Rupees One Crore Ten Lakhs only) equity shares of Rs. 10/- (Rupees Ten only) each, with a power to increase or reduce the capital of the Company in accordance with the provisions of the Companies Act, 2013 and to classify or reclassify the share capital.”

- 13.2. 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 above alteration/amendments (under Clause 13.1 above) of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company shall pay the requisite stamp duty and official fees and shall file the required returns/ information/ amended copy of the Memorandum of Association with the jurisdictional Registrar of Companies to give effect to the alteration in the authorised share capital.

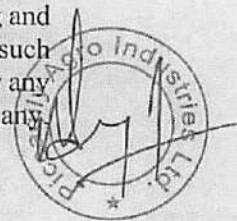
13.3. AMENDMENT TO ARTICLES OF ASSOCIATION

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

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

14. VALIDITY OF EXISTING RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions, if any, passed by the Demerged Company relating to the Demerged Business and Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions passed by the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any,



under like resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in the Resulting Company

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

- 15.1. Upon allotment of the Resulting Company New Equity Shares / effectiveness of the Scheme, the entire pre-scheme paid up share capital of the Resulting Company shall stand cancelled and reduced, without any consideration and without any further act, instrument or deed, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme and the Parties shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately. The aforesaid reduction of capital does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.
- 15.2. 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.
- 15.3. 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. The order of the Tribunal sanctioning this Scheme is deemed to also be the order passed by the Tribunal under Section 66 and other relevant provisions of the Act for the purpose of confirming such changes to the equity share capital of the Resulting Company. It is clarified that with regard to the cancellation of equity share capital as a consequence of the demerger of the Demerged Business and Undertaking of the Demerged Company into and with the Resulting Company, pursuant to the explanation to Section 230(12) of the Act, the provisions of Section 66 of the Act shall not apply to any consequential cancellation of share capital effected in pursuance of this Scheme.

16. REMAINING BUSINESS OF DEMERGED COMPANY

- 16.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to its Remaining Business and the Resulting Company shall not have any obligations in respect of the debts, liabilities, duties and obligations of the Remaining Business.
- 16.2. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the ITA), in each case in relation to the Demerged Business and Undertaking, the Demerged Company and the Resulting Company shall, in view of the transfer and vesting of the Demerged Business and 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 for any reason the substitution of the Demerged Company by the Resulting Company for such proceedings does not take place, 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.

17. **SAVINGS OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities and the continuance of proceedings by or against Resulting Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by Demerged Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Resulting Company accepts and adopts all acts, deeds and things done and executed by Demerged Company in respect thereto as done and executed on behalf of itself.



PART III

GENERAL PROVISIONS

18. WRONG POCKET ASSETS

- 18.1. Subject to Clause 20 and unless otherwise specified in the terms of the Scheme, no part of the Demerged Business and Undertaking, shall be retained by the Demerged Company after the Effective Date pursuant to the Scheme. If any part of any of the Demerged Business and Undertaking is inadvertently not transferred to the Resulting Company on the Effective Date pursuant to the Scheme, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the relevant Demerged Business and Undertaking, as the case may be, is transferred to the Resulting Company promptly and for no further consideration, and without any Tax implications. The Demerged Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company, for giving effect to this Clause.
- 18.2. No part of the Remaining Business of the Demerged Company shall be transferred to the Resulting Company pursuant to the Scheme. If any part of the Remaining Business of the Demerged Company is inadvertently transferred to the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business of the Demerged Company is transferred back to the Demerged Company, promptly and for no consideration, and without any Tax implications. The Resulting Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company for giving effect to this Clause.
- 18.3. If the Demerged Company realizes any amounts after the Effective Date that form part of the Demerged Business and Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Business and Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Business and Undertaking and shall be paid to the Resulting Company for no additional consideration, and without any Tax implications. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Remaining Business of the Demerged Company, the Resulting Company shall immediately pay such amounts to the Demerged Company. Similarly, if the Demerged Company discharges any Demerged Liability after the Effective Date, the Resulting Company shall make payment of such amounts to the Demerged Company.

19. ADDITIONAL ARRANGEMENTS

- 19.1. The Sugar Business has various inter-dependencies with the Remaining Business of the Demerged Company for which appropriate contracts / arrangements will be entered into between the Demerged Company and the Resulting Company prior to Effective Date, including inter alia for sharing of infrastructural facilities, usage of assets (whether moveable or immovable) including intellectual property (subject to the provisions of Clause 9.2 above) and services relating to information technology, legal, administrative, accounting, tax, treasury amongst others.



- 19.2. The Demerged Company has certain existing arrangements with certain third parties, which are important for the efficient functioning of the Resulting Company. These arrangements will be continued with the Resulting Company and the Resulting Company may enter into appropriate arrangements with the Demerged Company or such third parties for continuity of such arrangements.
- 19.3. The approval of this Scheme by the shareholders of the Resulting Company and the Demerged Company shall be deemed to constitute due compliance with Section 188 and any other applicable provisions of the Act, Regulation 23 and any other applicable provision of the SEBI LODR Regulations and the articles of association of the Resulting Company and the Demerged Company for the purposes of this Clause 19, and no further action under the Act, the SEBI LODR Regulations or the articles of association of the Resulting Company and the Demerged Company shall be separately required.

20. RESIDUAL PROVISIONS

- 20.1. Notwithstanding anything contained in this Scheme, on or after the Effective Date, as the case may be, until any property, asset, Permits and rights and benefits arising therefrom pertaining to the Demerged Business and Undertaking is transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the Permit as if it were the owner of the property or asset or as if it were the original party to the Permit. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Parties, the Demerged Company will continue to hold the property and/or the asset, Permit and rights and benefits arising therefrom, in trust for and on behalf of the Resulting Company.
- 20.2. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or relating to such assets) or any contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Business and Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to or vested in the Resulting Company for any reason whatsoever:
- 20.2.1. The Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as their transfer or vesting in the Resulting Company is effected;
- 20.2.2. The Demerged Company and the Resulting Company shall, however, between themselves, treat each other as if all contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Business and Undertaking had been transferred to the Resulting Company on the Effective Date; and
- 20.2.3. The Resulting Company shall perform or assist the Demerged Company in performing all of the obligations under those contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date.



20.2.4. It is clarified that the Demerged Company and the Resulting Company may enter into contracts or arrangements, as may be required to give effect to the provisions of this Clause 20.2 and that any such transfer under the provisions hereof shall be deemed to be with effect from the Appointed Date as an integral part of the Scheme

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

21. APPLICATIONS TO TRIBUNAL

21.1. Demerged Company and the Resulting Company shall, with all reasonable dispatch, make applications to the Tribunal, either jointly or severally, under Sections 230 to 232 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning the Scheme with such modifications as may be approved by the Tribunal.

21.2. On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of Demerged Company and the Resulting Company as may be directed by the Tribunal, Demerged Company and Resulting Company shall, with all reasonable dispatch, apply to the Tribunal, for sanctioning the Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order or orders, as the Tribunal may deem fit for carrying this Scheme into effect.

22. CONDITIONALITY OF SCHEME

22.1. The Scheme is conditional upon and subject to:

22.1.1. The Stock Exchanges having issued their observation / no-objection letters as required under the SEBI LODR Regulations read with the SEBI Schemes Master Circular.

22.1.2. The Scheme being agreed to by the respective requisite majority of members and creditors of each of Demerged Company and Resulting Company, as may be directed by the Tribunal;

22.1.3. The fulfilment, satisfaction or waiver (as the case may be) of any approvals or conditions mutually agreed by the Parties as required for completion of transactions contemplated under this Scheme;

22.1.4. The Scheme being approved by the Tribunal; and



22.1.5. Certified copy of the Order of the Tribunal sanctioning this Scheme being filed with the jurisdictional Registrar of Companies, by Demerged Company and Resulting Company in terms of Section 230(5) of the Act.

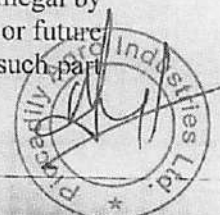
- 22.2. The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 22.1 above are satisfied (or to the extent permissible under Applicable Law, waived by the Demerged Company) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred inter se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other Person.
- 22.3. On the approval of this Scheme by the shareholders of the Parties and such other classes of Persons relating to the Parties, if any, such shareholders and classes of Persons, shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI LODR Regulations or otherwise, to the same extent applicable to all the matters related to or arising pursuant to the Scheme and this Scheme itself.

23. **MODIFICATIONS OR AMENDMENT**

- 23.1. The Board of Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 23.2. For the purposes of giving effect to this Scheme or to any modification hereof, the Board of the Demerged Company or the Board of the Resulting Company, acting jointly or individually, as may be relevant, (i) give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on the Resulting Company as if the same were specifically incorporated in this Scheme, (ii) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect and such determination or directions, as the case may be, shall be binding on all the parties in the manner as if the same were specifically incorporated in this Scheme.
- 23.3. Demerged Company and Resulting Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Tribunal or any other authority is not on terms acceptable to them or for any other reason deemed appropriate by the respective Boards.
- 23.4. The Demerged Company and the Resulting Company, acting jointly, shall be at liberty to withdraw the Scheme, as may be mutually agreed by the respective Boards of the Parties at any time before the Effective Date. In the event of withdrawal, no rights and liabilities whatsoever shall accrue to or be incurred by the respective Parties or their shareholders or creditors or employees or any other Person.

24. **SEVERABILITY OF ANY PART OF THE SCHEME**

If any part of the Scheme (or any part of a Section thereof) is ruled invalid or illegal by any Tribunal/Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that at the direction of the parties, such part



shall be severable from the remainder of the Scheme (or any Section thereof) and the Scheme (or any Section thereof) shall not be affected thereby, unless the deletion of such part shall cause the Scheme (or any Section thereof) to become materially adverse to any party, in which case each of Demerged Company and Resulting Company (acting through the Board) shall attempt to bring about a modification in the Scheme (or any Section thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Section thereof), including but not limited to such part.

25. **GENERAL TERMS AND CONDITIONS**

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid as mutually agreed between the Boards of the Parties.

26. **REPEALS AND SAVINGS**

Any direction or order given by the Tribunal under the provisions of Act and any act done Demerged Company or Resulting Company based on such direction or order shall be deemed to be in accordance with and consistent with the provisions of Act.

