

Exhibit-E

WITH AMENDED CLAUSE NO. 24
WITH ALL AMENDMENTS INCLUDING 5.2 AND 14.2

DRAFT COMPOSITE SCHEME OF ARRANGEMENT
UNDER SECTIONS 230 TO 232
OF THE COMPANIES ACT, 2013
BETWEEN

SEKSARIA INDUSTRIES PRIVATE LIMITED.DEMERGED COMPANY
NO.1

AND

SEKSARIA AGRITECH PRIVATE LIMITED.... RESULTING COMPANY NO. 1

AND

ISHWARSHAKTI HOLDINGS & TRADERS LIMITED. – DEMERGED
COMPANY NO. 2

SEKSARIA FINANCE LIMITEDRESULTING COMPANY NO. 2

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
IN RESPECT OF SUGAR UNDERTAKING OF DEMERGED COMPANY NO. 1
AND DEMERGED COMPANY NO. 2

A. PREAMBLE:- This composite Scheme of Arrangement ("Scheme") is
presented under Sections 230-232 and other applicable provisions of the
Companies Act, 2013, rules and regulations thereunder, for:-

- a. Demerger on a going concern basis of Seksaria Industries Private Limited ("Demerged Company No. 1"/ "SIPL") into Seksaria Agritech Private Limited ("Resulting Company No. 1"/"SAPL") as stated hereinafter.
- b. Demerger of Ishwarshakti Holdings & Traders Limited (Demerged Company No. 2/ "Ishwarshakti") into Seksaria Finance Limited ("Resulting Company No.2"/ "SFL") as stated hereinafter.



B. RATIONAL FOR THE SCHEME:-

The proposed restructuring would:

- a. Result in simplification of the group segregation structure of the Sugar and Non sugar business comprising of real estate, optical, confectionaries and finance between the two sets of shareholders to ease out the business operation.
- b. Enable each business being unrelated to pursue respective growth and investment opportunities.
- c. Result in economics in business operations, provide optimal utilization of resources and greater administrative efficiencies.

C. PARTS OF THE SCHEME:

This Scheme is divided into following parts

- a. PART I: deals with Definitions and share capital.
- b. PART II: deals with demerger of Demerged Undertaking No. 1 of SIPL into Resulting Company No. 1.
- c. PART III: deals with demerger of Demerged Undertaking No. 2 of Ishwarshakti into Resulting Company No. 2.
- d. PART IV: deals with general terms and conditions.

PART I DEFINITIONS & SHARE CAPITAL

- 1) **DEFINITIONS:** In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning :



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- a) "Act" means the Companies Act, 2013, all rules and regulations thereunder and any statutory modification or re-enactment thereof.
- b) "Appointed Date" means the 1st day of April, 2021 or such other date as may be fixed by the Hon'ble National Company Law Tribunal at Mumbai or the Board of Directors or by such other authority having jurisdiction under law.
- c) "Appropriate Authority" means any applicable Central, State or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies, Official Liquidator, High Court, National Company Law Tribunal and Reserve Bank of India;
- d) "Board of Directors" in relation to each of the Company involved in the present Scheme shall mean the Board of Directors of such company and unless repugnant to the subject, context or meaning thereof, shall deemed to include every committee (including any committee of directors) or any person authorised by the Board or by any such committee.
- e) "Demerged Company No. 1" or "SIPL" means Seksaria Industries Private Limited., (CIN No. U17120MH1948PTC006225) a private limited company incorporated under Companies Act, 1956 and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001



- f) "Demerged Company No. 2" or "Ishwarshakti" shall mean Ishwarshakti Holdings & Traders Limited, (CIN No. L51100MH1983PLC030782) a public limited company incorporated under the Companies Act, 1956 listed with Bombay Stock Exchange and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai - 400001.
- g) "Demerged Undertaking No. 1" means the Sugar business of SIPL/Demerged Company No. 1, carried on by Demerged Company No. 1 directly through its shareholding, i.e. 49.90% i.e. 11,734,530 fully paid up equity shares of The Seksaria Biswan Sugar Factory Limited ("Seksaria Biswan") held by Demerged Company No. 1 and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non- cumulative compulsory convertible preference shares of U.P. National Industrial Corporation Private Limited ("UP NIC") held by Demerged Company. No. 1, on a going concern basis, including the manufacturing and/or allied activities being carried out at their factories/ units, and all assets (movable/ immovable) and liabilities which relate thereto or necessary therefore as on Appointed Date and including (without limitation):-
- i) all assets, titles, properties wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, tenancy rights, including all plant and machinery, buildings, offices, installations, capital work-in-progress, vehicles, furniture, fixtures, office equipment, appliances, computer installations, electrical, appliances, accessories, investments.



receivables, loans advances, and rights, including rights arising under contracts, all operations and activities relating to Demerged Undertaking No. 1, balances with banks, all contracts, rights and benefits pertaining to or relatable to the Sugar Business (collectively referred to as "Assets of Demerged Company No.1");

ii) all debts, liabilities, guarantees, assurances, obligations, commitments, present and future of all nature or description and the specific contingent liabilities pertaining to or relatable to the Demerged Undertaking No. 1 (collectively referred to as "Liabilities of Demerged Company. No. 1");

iii) All contracts, agreements, licenses, leases, Memorandum of Understandings, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which Demerged Company No. 1 is a party exclusively relating to the Demerged Undertaking No. 1, business, activities and operations pertaining to the Demerged Undertaking No. 1 or otherwise identified to be for the exclusive benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special



status and privileges enjoyed or conferred upon or held or availed of by Demerged Company No.1 in relation to its Demerged Undertaking No. 1, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking No. 1, and all other rights, title, interests, privileges and benefits of every kind in relation to Demerged Undertaking No. 1 and held by Demerged Company No. 1.

- iv) all rights and licences, all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes/ of Central/State Governments, quality certifications and approvals, approvals (both Indian and foreign), product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licences, municipal permissions, goodwill, consents, tenancies, if any, in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking No. 1, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverables, receivables, easements, advantages, financial assets, hire purchase and lease



arrangements, the benefits of bank guarantees issued by Demerged Company No. 1 in relation to the Demerged Undertaking No. 1, funds belonging to or proposed to be utilised for the Demerged Undertaking No. 1, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking No. 1;

- v) all permanent employees exclusively engaged in the Demerged Undertaking No. 1 and those permanent employees that are determined by the Board of Directors of Demerged Company No.1 to be substantially engaged in or in relation to the Demerged Undertaking No. 1;
- vi) all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by Demerged Company No. 1 directly or indirectly in connection with or in relation to the Demerged Undertaking No. 1;
- vii) all books, records, files, papers, specifications and process, information, records of standard operating procedures, computer programmes along with their license, manuals and



backup copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking No. 1;

- viii) all trademarks, tradenames, brands, service marks, patents and domain names, copyrights, industrial designs, applications made for trademarks, trade names, service marks, trade secrets, product registrations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Demerged Undertaking No. 1;
- ix) Any other asset/ liability which is deemed to be pertaining to the Demerged Undertaking No. 1 by the Board of Demerged Company No. 1

Any question that may arise as to whether a specific asset or liability pertained to or does not pertain to Demerged Undertaking No. 1 or whether it arises out of the activities or operations of Demerged Undertaking No. 1 shall be decided by the Board of Directors of Demerged Company No. 1.

- h) "Demerged Undertaking No.2" shall mean the Sugar business of Ishwarshakti/ Demerged Company No. 2, carried on by Demerged Company No. 2 through its shareholding i.e. 50% i.e. 4,90,000 paid up equity share capital of Resulting Company No. 1 after Part II



becomes effective, and carried on by Resulting Company No. 1 *inter alia* through its shareholding in Seksaria Biswan and UP NIC, being 49.90% i.e. 11,734,530 of fully paid up equity shares of Seksaria Biswan held by Resulting Company No. 1 and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by Resulting Company No. 1, as also through its shareholdings in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e. 50% i.e., 7,500 fully paid up equity shares of UP NIC held by Demerged Company No. 2 on a going concern basis, including the manufacturing and/or allied activities being carried out at their factories/ units, and all assets (movable/ immovable) and liabilities which relate thereto or necessary therefore as on Appointed Date and including (without limitation):-

- i) all assets, titles, properties wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all plant and machinery, buildings, offices, installations, capital work-in-progress, vehicles, furniture, fixtures, office equipment, appliances, computer installations, electrical, appliances, accessories, investments, receivables, loans advances, and rights, including rights arising under contracts, all operations and activities relating to Demerged Undertaking No. 2, balances with banks, all contracts, rights and benefits pertaining to or relatable to the Sugar Business



(collectively referred to as "Assets of Demerged Company No.2");

- ii) all debts, liabilities, guarantees, assurances, obligations, commitments present and future of all nature or description and the specific contingent liabilities pertaining to or relating to the Demerged Undertaking No. 2 (collectively referred to as "Liabilities of Demerged Company No. 2");
- iii) All contracts, agreements, licenses, leases, Memorandum of Understandings, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which Demerged Company No. 2, and Resulting Company No. 1 are party, exclusively relating to the Demerged Undertaking No. 2, business, activities and operations pertaining to the Demerged Undertaking No. 2 or otherwise identified to be for the exclusive benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by Demerged Company No.2 and Resulting Company No. 1 in relation to its Demerged Undertaking No. 2, permits, quotas,



consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking No. 2, and all other rights, title, interests, privileges and benefits of every kind in relation to Demerged Undertaking No. 2;

- iv) all rights and licences, all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes/ of Central/State Governments, quality certifications and approvals, approvals (both Indian and foreign), product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licences, municipal permissions, goodwill, consents, tenancies, if any, in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking No. 2, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company No. 2 and Resulting Company No. 1 in relation to the Demerged Undertaking No. 2, funds belonging to or proposed to be utilised for the Demerged Undertaking No.



2, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking No. 2;

- v) all permanent employees exclusively engaged in the Demerged Undertaking No. 2 and those permanent employees that are determined by the Board of Directors of Demerged Company No. 2 to be substantially engaged in or in relation to the Demerged Undertaking No. 2;
- vi) all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by Demerged Company No. 2 or by Resulting Company No. 1, directly or indirectly in connection with or in relation to the Demerged Undertaking No. 2;
- vii) all books, records, files, papers, specifications and process, information, records of standard operating procedures, computer programmes along with their license, manuals and backup copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in



physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking No. 2;

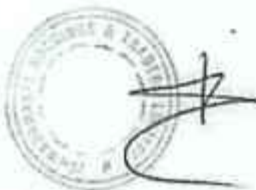
- viii) all trademarks, tradenames, brands, service marks, patents and domain names, copyrights, industrial designs, applications made for trademarks, trade names, service marks, trade secrets, product registrations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Demerged Undertaking No. 2;
- ix) Any other asset/ liability which is deemed to be pertaining to the Demerged Undertaking No. 2 by the Board of Demerged Company No. 2 and Resulting Company No. 1

Any question that may arise as to whether a specific asset or liability pertained to or does not pertain to Demerged Undertaking No. 2 or whether it arises out of the activities or operations of Demerged Undertaking No. 2 shall be decided by the Board of Directors of Demerged Company No. 2.

- i) "Effective Date" means last of the dates on which the certified copies of the orders of NCLT sanctioning the Scheme is filed by Resulting Company No. 1 and Resulting Company No. 2, with the Registrar of Companies, Maharashtra. References in this Scheme to the date of 'coming into effect of this Scheme' or "effectiveness of the Scheme" shall mean the Effective Date.



- j) "National Company Law Tribunal" or "Tribunal" or "NCLT" means the National Company Law Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any Scheme of Arrangement, Compromise or Reconstruction of companies under Sections 230 – 232 of the Companies Act, 2013;
- k) "Resulting Company No. 1" or "SAPL" shall mean Seksaria Agritech Private Limited, (CIN No. U15490MH2021PTC358800) a private limited company incorporated under the Companies Act, 2013 and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.
- l) "Resulting Company No. 2" or "SFL" shall mean Seksaria Finance Limited, (CIN No. U67110MH2021PLC358689) a public limited company incorporated under the Companies Act, 2013 and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.
- m) "Record Date No. 1" means date to be fixed by Board of Directors of Resulting Company No. 1 in consultation with SIPL for the purpose of determining the equity shareholders of SIPL for issue of shares to shareholders of SIPL pursuant to this Scheme.
- n) "Record Date No. 2" means date to be fixed by the Board of Directors of Resulting Company No. 2 in consultation with Ishwarshakti for the purpose of determining the equity shareholders



of Ishwarshakti for issue of shares to shareholders of Ishwarshakti pursuant to this Scheme.

- o) "Remaining Business of Demerged Company No. 1" means all other businesses, divisions, assets and liabilities of Demerged Company No. 1 including real estate, optical, confectionaries and finances being carried out directly and/ or through shareholding of Demerged Company No. 1 in other group companies other than the Demerged Undertaking No. 1 as defined in sub Clause 1(g)
- p) "Remaining Business of Demerged Company No. 2" means all other business, divisions, assets and liabilities of Demerged Company No. 2 including financial services, real estate, optical, confectionaries and finances being carried out directly and/ or through shareholding of Demerged Company No. 2 in other group companies other than Demerged Undertaking No. 2 as defined in Clause 1(h)
- q) "Scheme of Arrangement/ Demerger" or "this Scheme" or "the Scheme" means this Scheme of Arrangement in its present form or with any modifications made under Clause 23 of the Scheme
- r) "Seksaria Biswan" means the The Seksaria Biswan Sugar Factory Limited, (CIN No. U40102MH1939PLC002892) a public limited company incorporated under Companies Act, 1956 and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.



- s) "UP NIC" means U.P. National Industrial Corporation Private Limited, (CIN No. - U92111UP1947PTC001681) a private limited company incorporated under Companies Act, 1956 and having its office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.

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

2) DATE OF COMING INTO EFFECT

A. The Scheme shall come into legal operations from the Appointed Date, though it shall be effective from the Effective Date.

B. The various part of the Scheme shall be deemed to have taken effect in the following sequence:

(a) Firstly, Part II of the Scheme (relating to demerger of Demerged Undertaking No. 1 of SIPL into Resulting Company No. 1) shall be deemed to have taken effect prior to Part III of the Scheme, and

(b) Thereafter, Part III of the Scheme (relating to demerger of Demerged Undertaking No. 2 of Ishwarshakti into Resulting Company No. 2) shall be deemed to have taken effect after Part II.



3) SHARE CAPITAL:

- a) The authorised, issued, subscribed and paid-up capital of Demerged Company No. 1 as on 31st March, 2021 is as follows:

Particulars	Amount (Rs)
Authorised Capital 1,10,000 Equity shares of Rs. 100/-each	<u>1,10,00,000</u>
Issued, subscribed and paid up capital 98,000 Equity share of Rs. 100/- each	<u>98,00,000</u>

As of date the authorized, issued, subscribed and paid up capital of SIPL remains the same.

- b) The authorised, issued, subscribed and paid up capital of Resulting Company No. 1 as on date is as follows:

Particulars	Amount (Rs)
Authorised Capital 10,000 Equity shares of Rs.10/- each	<u>1,00,000/-</u>
Issued, subscribed and paid up capital 10000 Equity share of Rs.10/- each	<u>1,00,000/-</u>

- c) The authorised, issued, subscribed and paid-up capital of Demerged Company No. 2 as on 31st March, 2021 is as follows:

Particulars	Amount (Rs)
Authorised Capital – 20,00,000 Equity shares of Rs.10/- each	<u>2,00,00,000/-</u>
Issued, subscribed and paid up capital 14,40,000 Equity share of Rs.10/- each	<u>1,44,00,000/-</u>

As of date the authorized, issued, subscribed and paid up capital of Ishwarshakti remains the same



- d) The authorised, issued, subscribed and paid up capital of Resulting Company No. 2 as on date is as follows:

Particulars	Amount (Rs)
Authorised Capital 50,000 Equity shares of Rs.10/- each	<u>5,00,000/-</u>
Issued, subscribed and paid up capital 50,000 Equity share of Rs.10/- each	<u>5,00,000/-</u>

- e) This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect other parts of the Scheme.

PART II

DEMERGER OF DEMERGED UNDERTAKING NO. 1 OF SIPL INTO RESULTING COMPANY NO. 1, SAPL

4. TRANSFER OF DEMERGED UNDERTAKING NO. 1.

- 4.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and in accordance with provisions of Section 2(19AA) of the Income Tax Act, 1961 and subject to the provisions of the Scheme, the whole of the Demerged Undertaking No. 1 of



Demerged Company No. 1 as defined in Clause 1(g) shall, pursuant to the order of Hon'ble NCLT and pursuant to provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same, be vested and/or deemed to be vested in Resulting Company No. 1 on a going concern basis so as to become the assets of Resulting Company No. 1.

4.2. All assets acquired in the Demerged Undertaking No. 1 after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking No. 1 or pertaining to the Demerged Undertaking No. 1, shall also stand transferred to and vested to Resulting Company No. 1 upon the coming into effect of the Scheme, at their book value.

4.3. In respect of such of the assets of the Demerged Undertaking No. 1 as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by Demerged Company No. 1 and shall become the property of Resulting Company No. 1 as an integral part of the Demerged Undertaking No. 1 transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of Demerged Company No. 1 and the Board of Directors of Resulting Company No. 1 within thirty days from the Effective Date.

4.4. In respect of such of the assets of the Demerged Undertaking No. 1 other than those referred to in Clause 4.3 above, the same shall, as



more particularly provided in Clause 4.1 above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company No. 1 on the Appointed Date pursuant to the order of Hon'ble NCLT and pursuant to the provisions of Section 230 to 232 of the Act or other provisions of law as applicable.

- 4.5. It is hereby clarified that the rest of the assets and liabilities (other than those forming part of the Demerged Undertaking No. 1 or otherwise specified in this Scheme), if any, of Demerged Company No. 1 shall continue to vest in Demerged Company No.1.
- 4.6. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operations of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company No. 1, and the rights and benefits under the same shall, in so far as they relate to the Demerged Undertaking No. 1 and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Undertaking No. 1, be transferred to and vested in Resulting Company No. 1. Insofar as the various incentives, tax deferral benefits, subsidies (including applications for subsidies)



rehabilitation schemes, grants, special status and other benefits of privileges enjoyed, granted by any Government body, local authority or by any other persons, or availed of by Demerged Company No. 1 is concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking No. 1, vest with and be available to Resulting Company No. 1 on the same terms and conditions.

4.7. All Demerged Undertaking No.1's Liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of Demerged Company No. 1 shall stand vested in Resulting Company No. 1 and shall upon the Scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Resulting Company No. 1, and Resulting Company shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

4.8. It is clarified that upon the coming into effect of the Scheme, the following liabilities and obligations of Demerged Company No. 1 as on the Appointed Date and being a part of the Demerged Undertaking No. 1 shall without any further act, instrument or deed



be and shall stand transferred to Resulting Company No. 1, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against Resulting Company No. 1 as if it had entered into such loans or incurred such borrowings and Resulting Company No. 1 undertakes to meet, discharge and satisfy the same;

- a The liabilities which directly and specifically arose out of the activities or operations of the Demerged Undertaking No. 1;
- b Specific loans or borrowings raised, if any, and incurred and utilized solely for the activities or operations of the Demerged Undertaking No. 1;
- c In cases other than those referred to in sub-clause (a) and (b) above, proportionate part of the general or multipurpose borrowings and liabilities of Demerged Company No.1 allocable to the Demerged Undertaking No. 1 in the same proportion in which the value of the assets transferred under this Scheme bears to the total value of the assets of Demerged Company No. 1 immediately before the demerger. It is hereby clarified that upon the coming into effect of this Scheme, where any regulatory approvals are required for the purposes of apportioning the general or multipurpose borrowings as provided herein, the same shall be obtained by Demerged Company No. 1 and/or Resulting Company No. 1 by way of specific applications in this behalf.



4.9. Where any of the liabilities and obligations of the Demerged Company No. 1 relating to Demerged Undertaking No. 1 as on the Appointed Date deemed to be transferred to the Resulting Company No. 1 have been discharged by Demerged Company No. 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company No. 1, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company No. 1 for the operations of the Demerged Undertaking No. 1 after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company No. 1 and to the extent they are outstanding on the Effective Date, shall also without any further actor deed be and stand transferred to Resulting Company No. 1 and shall become its liabilities and obligations.

4.10. Upon the coming into effect of this Scheme, the balances as on the Appointed Date of general or multipurpose borrowings shall be transferred to and assumed by Demerged Company No. 1 and Resulting Company No. 1 in the proportion provided in Clause 4.8(c) above.

Thus, the primary obligation to redeem or repay such transferred liabilities shall be that of Resulting Company No. 1. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, Resulting Company No. 1



may discharge such liability (including accretions thereto) by making payments on the respective due dates to Demerged Company No. 1, which in turn shall make payments to the respective creditors.

4.11. Upon the coming into effect of this Scheme, insofar as the security in respect of the liabilities of Demerged Company No. 1 as on the Appointed Date is concerned, it is hereby clarified that Demerged Company No. 1 and Resulting Company No. 1 shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.

4.12. All taxes payable by or refundable to the Demerged Undertaking No. 1 of Demerged Company No.1, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of Resulting Company No.1, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. as would have been available to Demerged Undertaking No.1 of Demerged Company No.1, shall pursuant to this Scheme becoming effective, be available to Resulting Company No.1.

4.13. All the Licenses of Demerged Undertaking No. 1 including approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever



in relation to the Demerged Undertaking No. 1 or to the benefit of which the Demerged Undertaking No. 1 of Demerged Company No. 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of Resulting Company No. 1, and shall be in full force and effect in favour of Resulting Company No. 1 and may be enforced as fully and effectually as if, instead of Demerged Company No. 1, Resulting Company No. 1 had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by Demerged Company No. 1, but relate to or benefiting Demerged Undertaking No. 1, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges



and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of Resulting Company No. 1, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of Resulting Company No. 1 as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Resulting Company No. 1 shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

4.14. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank



accounts of Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1, have been replaced with that of Resulting Company No. 1, Resulting Company No. 1 shall be entitled to operate the bank accounts of Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1, in the name of Demerged Company No. 1 in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1, after the Effective Date shall be accepted by the bankers of Resulting Company No. 1 and credited to the account of Resulting Company No.1, if presented by Resulting Company No. 1. Resulting Company No. 1 shall be allowed to maintain bank accounts in the name of Demerged Company No. 1 for such time as may be determined to be necessary by Resulting Company No. 1 for presentation and deposition of cheques and pay orders that have been issued in the name of Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1. It is hereby expressly clarified that any legal proceedings by or against Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company No. 1 shall be instituted, or as the case maybe, continued by or against Resulting Company No. 1 after coming into effect of the Scheme.



4.15. The provisions of this Clause insofar as they relate to the transfer of liabilities to Resulting Company No. 1 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

4.16. It is hereby clarified that all assets and liabilities of the Demerged Undertaking No. 1 shall be transferred at values appearing in the books of account of the Demerged Company No. 1 as on the Appointed Date which are set forth in the closing balance sheet of Demerged Company No.1 as of the close of business hours on the date immediately preceding the Appointed Date

5. CONSIDERATION

5.1. Upon the Scheme becoming effective and upon the demerger of the Demerged Undertaking No. 1 into Resulting Company No. 1 in terms of this Scheme, Resulting Company No. 1 shall, without any further application or deed, issue and allot shares to the shareholders of Demerged Company No.1 whose name appears in the register of members of Demerged Company No. 1 as on the Record Date 1 as may be stipulated by the Board of Directors of Demerged Company No.1 or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:



10(Ten) fully paid up Equity Shares of Rs.10/- each of Resulting Company No. 1 shall be issued and allotted as fully paid up for every 1 (one) Equity Share of Rs.100/- each fully paid up held in Demerged Company No. 1

5.2. In case any equity shareholder's holding in Demerged Company 1, is such that the shareholder becomes entitled to a fraction of equity share of Resulting Company No.1, Resulting Company No.1 shall not issue fractional share to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a person nominated by the Board of Resulting Company No.1 on behalf of such shareholders, who shall sell such shares in the market at such price or prices within a period of 90 days from the date of allotment of shares, on such time or times as the Board may in its sole discretion decide and on such sale, he shall pay to Resulting Company No. 1, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon Resulting Company No.1 shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company No.1 in proportion to their respective fractional entitlements

5.3. Resulting Company No.1 shall take necessary steps to increase or alter or reclassify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme. Presently the Authorised Share



Capital of the Resulting Company No. 1 is Rs.1,00,000 (Rupees One Lakhs only) (i.e. 10,000 equity Shares of Rs.10/- each) As a part of the Scheme and to issue shares to the shareholders of the Demerged Company No.1 as per clause 5.1, the Resulting Company No. 1 shall increase its authorised Share Capital to Rs.98,00,000/- (Rupees Ninety Eight Lakhs only) (9,80,000 equity Shares of Rs.10/- each and the Memorandum of Association of Resulting Company No. 1 be amended accordingly. It is clarified that approval of shareholders of Resulting Company No. 1 to this Scheme shall be deemed to be their consent /approval for amendment/alteration of Memorandum of Association of the Resulting Company No. 1 as may be required under the Act.

5.4. The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of Resulting Company No.1.

5.5. The equity shares issued and allotted by Resulting Company No. 1 in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of Resulting Company No.1.

5.6. The approval of this Scheme by the shareholders of Resulting Company No. 1 shall be deemed to be due compliance of the provisions of Sections 42, 62 of the Act and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by Resulting Company No.1 to the shareholders of Demerged Company No.1, as provided in this Scheme.



- 5.7. The consideration in the form of equity shares shall be issued and allotted by Resulting Company No. 1 in dematerialized form to all the shareholders of Demerged Company No.1 holding such shares in dematerialized form and in physical form to all those shareholders of Demerged Company No.1 holding such shares in physical form.
- 5.8. In the event of there being any pending and valid share transfer, whether lodged or outstanding of any shareholders of Demerged Company No.1, the Board of Directors of Demerged Company No. 1 shall be empowered even subsequent to Record Date 1 or the Effective Date, as the case may be, to effectuate such a transfer in Demerged Company No.1 as if such changes in the registered holder were operative on Record Date 1, in order to remove any difficulties arising to Demerged Company No. 1 or Resulting Company No. 1,
- 5.9. Resulting Company No. 1 shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of equity shares by Resulting Company No.1 to the non-resident/ foreign citizen equity shareholders of Demerged Company No. 1. Resulting Company No. 1 shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Resulting Company No. 1 to issue and allot equity shares to the non-resident/ foreign citizen equity shareholders of Demerged Company No.1.



5.10. The Board of Directors of Resulting Company No. 1 shall, if and to the extent required, apply for and obtain any approvals from concerned Government/regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of Demerged Company No. 1 pursuant to Clause 5.1 of the Scheme

5.11.1. Simultaneously with the issuance and allotment of equity shares by the Resulting Company No.1 in accordance with paragraph 5.1 above, the initial issued and paid up equity share capital of the Resulting Company No. 1 comprising of 10000 Equity share of Rs.10/- each, aggregating to Rs.1,00,000/-, as held by the existing Equity Shareholders of the Resulting Company No. 1 shall be cancelled at face value of such shares. The share certificates held by the existing Equity Shareholders representing the equity shares in the Resulting Company No. 1 shall be deemed to be cancelled.

5.11.2 Pursuant to the demerger, every shareholder of Demerged Company NO. 1 will become shareholder of the Resulting Company No. 1 in the same proportion as shares held by such shareholders in Demerged Company No. 1. Further, *there will be not be any change in the shareholding pattern of Demerged Company No. 1 as shareholding pattern of the Resulting Company No. 1 pursuant to and after the Scheme coming into effect would be same as that of the Demerged Company No. 1 and every shareholder in the Resulting Company No. 1 would be same as of Demerged Company*



No.1 and hold equity shares in the same proportion as held by it in the Demerged Company No. 1.

5.11.3 Such reduction of share capital of the Resulting Company No.1 as provided in paragraph 5.11.1 above, shall be effected as a part of the Scheme on the Effective Date, upon which the share capital of the Resulting Company No.1 shall be deemed to be reduced and the order of the NCLT sanctioning the Scheme shall also be deemed to be an order under Section 66 of the Act confirming such reduction of share capital of the Resulting Company No.1.

5.11.4 The reduction would not involve a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the Resulting Company No. 1 shall not be required to add the words "And Reduced" as suffix to its name.

5.11.5 The Resulting Company No. 1 shall only obtain necessary approvals from its Equity Shareholders for this Scheme pursuant to Section 230 and 232 read with Section 66 of the Act and no separate approval shall be required for the purpose of the aforesaid capital reduction.

5.12 The Board of Directors of Resulting Company No. 1 shall, if and to the extent required, apply for and obtain any approvals from concerned Government/regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of Demerged Company No.1 pursuant to Clause 5.1 of the Scheme.



6 ACCOUNTING TREATMENT FOR PART II

6.1 Upon the Scheme becoming effective, Resulting Company No. 1 and Demerged Company No. 1 shall account for demerger under Part II of the Scheme of the Demerged Undertaking No. 1 in their books of accounts with effect from the Appointed Date in accordance with applicable accounting principles prescribed under India Accounting Standard (Ind AS) or such other accounting principles as may be applicable or prescribed under the Act.

7 TAX TREATMENT FOR PART II

7.1 The Scheme is in compliance with the conditions relating to a "demerger" as specified under section 2 (19AA) of the Income-tax Act, 1961 ("IT Act"). If any provision of the Scheme is inconsistent with the provisions of section 2 (19AA) of the IT Act then the provisions of section 2 (19AA) shall prevail and the Scheme shall stand modified to that extent.

7.2 Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state sales tax, value added tax ("VAT") laws, GST Laws comprising (i) Central Goods and Services Tax Act, 2017, (ii) State Goods and Services Tax Act, 2017 as notified by respective States, (iii) Union Territory Goods and Services Tax Act, 2017, (iv) Integrated Goods and Services Tax Act, 2017, (v) Goods and Services Tax (Compensation to States) Act, 2017 and (vi) Rules, Notifications, Amendments and Circulars issued under the respective



Acts, service tax laws comprising of chapter V of the Finance Act, 1994 and Rules, Notifications, Amendments and Circulars issued thereunder, stamp laws or other applicable law/ regulations (collectively, the "Tax Laws") dealing with taxes/duties/levies allocable or related to the Demerged Undertaking No. 1 of the Demerged Company No. 1 to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date related to the Demerged Undertaking No. 1 shall be vested with the Resulting Company No. 1.

7.3 All tax related compliances made and taxes (including income-tax, wealth tax, sales tax, excise duty, customs duty, , VAT, etc.) paid or payable by the Demerged Company No. 1 in respect of the operations and/or the profits of Demerged Undertaking No. 1 on and from the Appointed Date, shall be on account of the Resulting Company No. 1 and, in so far as it relates to the tax payment (including without limitation income-tax, wealth tax, sales tax, excise duty, customs duty, GST, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company No. 1 in respect of the profits or activities or operation of Demerged Undertaking No. 1 on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company No. 1 and shall in all proceedings be dealt with accordingly. The provisions of the GST Laws with respect to the transfer of Demerged



Undertaking No. 1 and transfer of input credit consequent to the Scheme shall be adhered to.

7.4 Any surplus in the taxation/duties/levies account including but not limited to advance income-tax and tax deducted at source ("TDS") and any tax credit entitlements under any Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction relating to the Demerged Undertaking No. 1 as on the date immediately preceding the Appointed Date shall also be transferred to the Resulting Company No. 1. Any tax deducted at source by the Demerged Company No. 1 and/or the Resulting Company No. 1 on transactions (if any) with the Resulting Company No. 1 and/or the Demerged Company No. 1 (as the case may be) between the Appointed Date and the Effective Date shall be deemed to be advance tax paid by the Resulting Company No. 1 and shall, in all proceedings, be dealt with accordingly.

7.5 On and from the Appointed Date: (a) any certificate for TDS or any other tax credit certificate relating to the Demerged Undertaking No. 1 is received in the name of the Demerged Company No. 1, it shall be deemed to have been received by the Resulting Company No. 1, which alone shall be entitled to claim credit for such tax deducted or paid; and (b) the benefit of all balances relating to input tax credit, CENVAT, service tax or VAT, being balances pertaining to the Demerged Undertaking No. 1 of the Demerged Company No. 1, if any, shall stand vested in the Resulting



Company No. 1 as if the transaction giving rise to the said balance or credit was a transaction carried out by the Resulting Company No. 1.

7.6 Any refund under the Tax Laws due to the Demerged Company No. 1 in relation to the Demerged Undertaking No. 1 consequent to assessments made on the Demerged Company No. 1 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company No. 1.

7.7 Without prejudice to the generality of the above, all exemptions, deductions, set-offs, refunds, benefits, losses, entitlements, incentives, drawbacks, licenses and credits (including but not limited to MAT credit, taxes withheld/paid in foreign country etc.) under the income-tax, sales tax, custom duty, excise duty, GST, VAT, any Central Government/ State Government incentive schemes etc., in relation to the Demerged Undertaking No. 1 to which the Demerged Company No. 1 is/would be entitled to in terms of the applicable Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction, shall be available to and vest in the Resulting Company No. 1.

7.8 Each of the permissions, approvals, consents, sanctions, remissions, special reservations, service tax exemptions, incentives, concessions and other authorizations of the Demerged Company No. 1 pertaining to the Demerged Undertaking No. 1 shall stand transferred to the Resulting Company No. 1 pursuant



to the order of the NCLT. The Resulting Company No. 1 shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the order of the NCLT.

7.9 The obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company No. 1 in relation to the Demerged Undertaking No. 1 shall be made or deemed to have been made and duly complied with by the Resulting Company No. 1. The Resulting Company No. 1 shall be responsible for collecting sales tax forms and any other forms as may be applicable under the relevant Tax Laws (including without limitation the GST Laws) outstanding as on the Appointed Date from the customers of the Demerged Undertaking No. 1 with effect from the Effective Date.

7.10 The Demerged Company No. 1 and Resulting Company No. 1 are expressly permitted to file/revise its income-tax, wealth tax, service tax, vat, GST, excise, CENVAT/MODVAT and other statutory returns/ forms under the relevant Tax Laws, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. The Resulting Company No. 1 is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/duties paid by the Demerged Company No. 1 in relation to the Demerged



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Undertaking No. 1 shall be deemed to be the taxes/duties paid by the Resulting Company No. 1, and the Resulting Company No. 1 shall be entitled to claim credit for such taxes deducted/paid against its tax/duty liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes/duties are in the name of the Demerged Company No. 1.

8 CONTRACTS AND DEEDS.

8.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking No. 1 to which Demerged Company No. 1 is a party or to the benefit of which Demerged Company No. 1 may be eligible, and which are subsisting or having effect immediately before the effective Date, shall be in full force and effect on or against or in favour, as the case may be Resulting Company No. 1 and may be enforced as fully and effectually if instead of Demerged Company No. 1, Resulting Company No. 1 had been a party or beneficiary or oblige thereto.

8.2 Without prejudice to other provisions of the Scheme and notwithstanding that vesting of the Demerged Undertaking No. 1 with Resulting Company No. 1 occurs by virtue of this Scheme itself, Resulting Company No. 1 may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered



necessary or expedient, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Demerged Company No. 1 is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. Demerged Company No. 1 will, if necessary, also be a party to the above.

9 LEGAL PROCEEDINGS

9.1 Upon the coming into effect of the Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company No. 1 under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Demerged Undertaking No. 1 shall be continued and enforced by or against Resulting Company No. 1 after the Effective Date. In the event that the legal proceedings referred to herein require Demerged Company No. 1 and Resulting Company No. 1 to be jointly treated as parties thereto, Resulting Company No. 1 shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Demerged Company No. 1. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Demerged Undertaking No. 1 or not, the decision of the Board of Directors of Demerged Company No. 1 as to whether such proceeding relates to the Demerged Undertaking



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No. 1 or not, shall be conclusive evidence of the relationship with Demerged Undertaking No. 1.

9.2 Resulting Company No. 1 undertakes to have all legal proceedings initiated by or against Demerged Company No.1 referred to in Clause 8.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company No. 1 to the exclusion of Demerged Company No.1. Both companies shall make relevant applications in that behalf.

9.3 Notwithstanding the above, in case the proceedings referred to in Clause 9.2 above cannot be transferred for any reason, Demerged Company No. 1 shall defend the same in accordance with the advice of Resulting Company and at the cost of Resulting Company No. 1, and Resulting Company No. 1 shall reimburse, indemnify and hold harmless Demerged Company No. 1 against all liabilities and obligations incurred by Demerged Company No. 1 in respect thereof.

10 STAFF, WORKMEN & EMPLOYEES

10.1 All the permanent employees of Demerged Company No. 1 engaged in or in relation to the Demerged Undertaking No.1 of Demerged Company No. 1, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of Resulting Company No. 1, without any break or interruption in



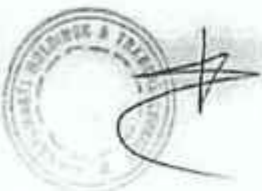
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for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking No. 1 of Demerged Company No. 1 in relation to such Funds or Trusts shall become those of Resulting Company No. 1. The Trustees including the Board of Directors of Demerged Company No. 1 and Resulting Company No. 1 or through any committee/ person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of Demerged Company No. 1.

10.4 With effect from the date of filing of this Scheme with NCLT and up to and including the Effective Date, Demerged Company No. 1 shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Demerged Undertaking of Demerged Company No. 1, except with written consent of Resulting Company No. 1.

10.5 Resulting Company No. 1 undertakes to engage such of the permanent employees of Demerged Company No. 1 as are determined under Clause 10.1 of this Scheme of Arrangement, as being substantially engaged in the Demerged Undertaking No. 1



and who are in the employment of Demerged Company No. 1 as on the Effective Date, on terms and conditions not less favourable than those on which they are engaged by Demerged Company No. 1, without any interruption of service as a result of transfer of Demerged Undertaking No. 1 to Resulting Company No.1. Resulting Company No.1 undertakes to continue to abide by any agreement/settlement entered into by Demerged Company No. 1 in respect of the Demerged Undertaking No. 1. Resulting Company No.1 agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with Demerged Company No. 1 shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

11 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

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

- (a) Demerged Company No.1 shall carry on and be deemed to have carried on the business and activities in relation to Demerged Undertaking No. 1 and shall stand possessed of their properties and assets relating to Demerged Undertaking No. 1 for and in trust for Resulting Company No. 1 and all the profits/ losses accruing on account of the Demerged Undertaking No. 1 shall for all purposes be treated as profits/ losses of Resulting Company No.1.



- (b) Demerged Company No. 1 shall not utilize the profits or income, if any, relating to the Demerged Undertaking No. 1 for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of Resulting Company No. 1.
- (c) Demerged Company No. 1 shall not without the prior written consent of the Board of Directors of Resulting Company No. 1 or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Demerged Undertaking No. 1 or any part thereof except in the ordinary course of its business.
- (d) Demerged Company No. 1 shall not vary the existing terms and conditions of service of its permanent employees relating to Demerged Undertaking No. 1 except in the ordinary course of its business or without prior consent of Resulting Company No. 1 or pursuant to any pre-existing obligation undertaken by Demerged Company No. 1 as the case may be, prior to Effective Date.



11.2 Resulting Company No. 1 shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government,



and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which Resulting Company No.1 may require pursuant to this Scheme.

12 SAVING OF CONCLUDED TRANSACTIONS

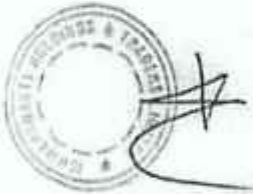
Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking No. 1 and continuance of the proceedings by or against Resulting Company No.1 shall not in any manner affect any transaction or proceedings already completed by Demerged Company No. 1 (in respect of the Demerged Undertaking No.1) on or before the appointed Date to the end and intent that Resulting Company No.1 accepts all such acts, deeds and things done and executed by and/or on behalf of Demerged Company No. 1 as acts, deeds and things done and executed by and on behalf of Resulting Company No. 1.

PART III

DEMERGER OF DEMERGED UNDERTAKING NO. 2 OF ISHWARSHAKTI AND RESULTING COMPANY NO. 2 SFL

13 TRANSFER OF DEMERGED UNDERTAKING NO. 2.

13.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and in accordance with provisions of Section 2(19AA) of the Income Tax Act, 1961, upon vesting of Demerged Undertaking No. 1 of Demerged Company No.1 in Resulting Company No. 1, and subject to the provisions of the Scheme, the entire Sugar business and whole of the Demerged Undertaking No. 2 of Demerged Company No. 2 as defined in



Clause 1(h) shall, pursuant to the order of Hon'ble NCLT and pursuant to provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be vested and/or deemed to be vested in Resulting Company No. 2 on a going concern basis so as to become the assets of Resulting Company No. 2.

13.2 All assets acquired in the Demerged Undertaking No. 2 after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking No. 2 or pertaining to the Demerged Undertaking No. 2, shall also stand transferred to and vested to Resulting Company No. 2 upon the coming into effect of the Scheme, at their book value.

13.3 In respect of such of the assets of the Demerged Undertaking No.2 as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by Demerged Company No. 2 and shall become the property of Resulting Company No. 2 as an integral part of the Demerged Undertaking No. 2 transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of Demerged Company No. 2 and the Board of Directors of Resulting Company No. 2 within thirty days from the Effective Date.



13.4 In respect of such of the assets of the Demerged Undertaking No. 2 other than those referred to in Clause 13.3 above, the same shall, as more particularly provided in Clause 13.1 above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company No. 2 on the Appointed Date pursuant to the order of Hon'ble NCLT and pursuant to the provisions of Section 230 to 232 of the Act or other provisions of law as applicable.

13.5 It is hereby clarified that the rest of the assets and liabilities (other than those forming part of the Demerged Undertaking No. 2 or otherwise specified in this Scheme), if any, of Demerged Company No. 2 shall continue to vest in Demerged Company No.2.

13.6 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operations of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company No. 2, and the rights and benefits under the same shall, in so far as they relate to the Demerged Undertaking No. 2 and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and



all other interests relating to the goods or services being dealt with by the Demerged Undertaking No. 2, be transferred to and vested in Resulting Company No. 2. Insofar as the various incentives, tax deferral benefits, subsidies (including applications for subsidies) rehabilitation schemes, grants, special status and other benefits of privileges enjoyed, granted by any Government body, local authority or by any other persons, or availed of by Demerged Company No. 2 are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking No. 2, vest with and be available to Resulting Company No. 2 on the same terms and conditions.

13.7 All Demerged Undertaking No.2's Liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of Demerged Company No. 2 shall stand vested in Resulting Company No. 2 and shall upon the Scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Resulting Company No. 2, and Resulting Company No.2 shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and



obligations have arisen in order to give effect to the provisions of this Clause.

13.8 It is clarified that upon the coming into effect of the Scheme, the following liabilities and obligations of Demerged Company No. 2 as on the Appointed Date and being a part of the Demerged Undertaking No. 2 shall without any further act, instrument or deed be and shall stand transferred to Resulting Company No. 2, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against Resulting Company No. 2 as if it had entered into such loans or incurred such borrowings and Resulting Company No. 2 undertakes to meet, discharge and satisfy the same;

- (a) The liabilities which directly and specifically arose out of the activities or operations of the Demerged Undertaking No. 2;
- (b) Specific loans or borrowings raised, if any, and incurred and utilized solely for the activities or operations of the Demerged Undertaking No. 2;
- (c) In cases other than those referred to in sub-clause (a) and (b) above, proportionate part of the general or multipurpose borrowings and liabilities of Demerged Company No. 2 allocable to the Demerged Undertaking No. 2 in the same proportion in which the value of the assets transferred under this Scheme bears to the total value of the assets of Demerged Company No. 2 immediately before the demerger.



It is hereby clarified that upon the coming into effect of this Scheme, where any regulatory approvals are required for the purposes of apportioning the general or multipurpose borrowings as provided herein, the same shall be obtained by Demerged Company No. 2 and/or Resulting Company No. 2 by way of specific applications in this behalf.

13.9 Where any of the liabilities and obligations of the Demerged Company No. 2 relating to Demerged Undertaking No. 2 as on the Appointed Date deemed to be transferred to the Resulting Company No. 2 have been discharged by Demerged Company No. 2 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company No. 2, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company No. 2 for the operations of the Demerged Undertaking No. 2 after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company No. 2 and to the extent they are outstanding on the Effective Date, shall also without any further actor deed be and stand transferred to Resulting Company No. 2 and shall become its liabilities and obligations.

13.10 Upon the coming into effect of this Scheme, the balances as on the Appointed Date of general or multipurpose borrowings shall be transferred to and assumed by Demerged Company No. 2



and Resulting Company No. 2 in the proportion provided in Clause 13.8(c) above.

Thus, the primary obligation to redeem or repay such transferred liabilities shall be that of Resulting Company No. 2. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, Resulting Company No. 2 may discharge such liability (including accretions thereto) by making payments on the respective due dates to Demerged Company No. 2, which in turn shall make payments to the respective creditors.

13.11 Upon the coming into effect of this Scheme, insofar as the security in respect of the liabilities of Demerged Company No. 2 as on the Appointed Date is concerned, it is hereby clarified that Demerged Company No. 2 and Resulting Company No. 2 shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed

13.12 All taxes payable by or refundable to the Demerged Undertaking No.2 of Demerged Company No.2, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of Resulting Company No.2, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been

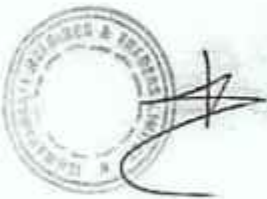


available to Demerged Undertaking No.2 of Demerged Company No.2, shall pursuant to this Scheme becoming effective, be available to Resulting Company No.2.

13.13 All the Licenses of Demerged Undertaking No. 2 including approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Demerged Undertaking No. 2 of Demerged Company No. 2, or to the benefit of which the Demerged Undertaking No. 2 of Demerged Company No. 2 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of Resulting Company No. 2, and shall be in full force and effect in favour of Resulting Company No. 2 and may be enforced as fully and effectually as if, instead of Demerged



Company No. 2, Resulting Company No. 2 had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by Demerged Company No. 2, but relate to or benefiting Demerged Undertaking No. 2, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of Resulting Company No. 2, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of Resulting Company No. 2 as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Resulting Company No. 2 shall file certified copies of such sanction order, and if required file appropriate applications, forms



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or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

13.14 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of Demerged Company No. 2, in relation to or in connection with the Demerged Undertaking No. 2, have been replaced with that of Resulting Company No. 2, Resulting Company No. 2 shall be entitled to operate the bank accounts of Demerged Company No. 2, in relation to or in connection with the Demerged Undertaking No. 2, in the name of Demerged Company No. 2 in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company No. 2, in relation to or in connection with the Demerged Undertaking No. 2, after the Effective Date shall be accepted by the bankers of Resulting Company No. 2 and credited to the account of Resulting Company No. 2, if presented by



Resulting Company No. 2. Resulting Company No. 2 shall be allowed to maintain bank accounts in the name of Demerged Company No. 2 for such time as may be determined to be necessary by Resulting Company No. 2 for presentation and deposition of cheques and pay orders that have been issued in the name of Demerged Company No. 2, in relation to or in connection with the Demerged Undertaking No. 2. It is hereby expressly clarified that any legal proceedings by or against Demerged Company No.2, in relation to or in connection with the Demerged Undertaking No. 2, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company No. 2 shall be instituted, or as the case maybe, continued by or against Resulting Company No. 2 after coming into effect of the Scheme.

13.15 The provisions of this Clause insofar as they relate to the transfer of liabilities to Resulting Company No. 2 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

13.16 It is hereby clarified that all assets and liabilities of the Demerged Undertaking No. 2 shall be transferred at values appearing in the books of account of Demerged Company No. 2 as on the Appointed Date which are set forth in the closing balance sheet of Demerged Company No. 2 as of the close of



business hours on the date immediately preceding the Appointed Date

14 CONSIDERATION

14.1 Upon the Scheme becoming effective and upon the demerger of the Demerged Undertaking No. 2 into , Resulting Company No. 2 in terms of this Scheme, Resulting Company No. 2 shall, without any further application or deed, issue and allot shares to the shareholders of Demerged Company No.2 whose name appears in the register of members of Demerged Company No. 2 as on the Record Date 2 as may be stipulated by the Board of Directors of Demerged Company No.2 or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

7 (Seven) fully paid up Equity Shares of Rs. 10 each of Resulting Company No. 2 shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Rs.10 each fully paid up held in Demerged Company No. 2

14.2 In case any equity shareholder's holding in Demerged Company 2, is such that the shareholder becomes entitled to a fraction of equity share of Resulting Company No. 2, Resulting Company No. 2 shall not issue fractional share to such shareholder but shall consolidate such fractions and held by the trust, nominated by the Board in that behalf, who shall sell such



shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the scheme. The Trust shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred), to the concerned shareholders of Demerged Company No. 2 in proportion to their respective fractional entitlements. The Demerged Company NO. 2 shall submit to the Bombay Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the listed entity has compensated the eligible shareholders. Both the reports shall be submitted within 7 days of compensating the shareholders.

14.3 Resulting Company No. 2 shall take necessary steps to increase or alter or reclassify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme. Presently the Authorised Share Capital of the Resulting Company No. 2 is Rs.5,00,000/- (Rupees Five Lakhs only) (i.e. 50,000 equity Shares of Rs.10/- each) As a part of the Scheme and to issue shares to the shareholders of the Demerged Company No.2 as per clause 14.1, the Resulting Company No. 2 shall increase its authorised Share Capital to Rs.10,10,00,000/- (Rupees Ten Crores Ten Lakhs only) (1,01,00,000 equity Shares of Rs.10/- each and the Memorandum of Association of Resulting Company No. 2 be amended accordingly. It is clarified that approval of shareholders of Resulting Company No. 2 to this Scheme shall be



deemed to be their consent /approval for amendment/alteration of Memorandum of Association of the Resulting Company No. 2 as may be required under the Act.

14.4 The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of Resulting Company No.2.

14.5 The equity shares issued and allotted by Resulting Company No. 2 in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of Resulting Company No. 2.

14.6 The approval of this Scheme by the shareholders of Resulting Company No. 2 shall be deemed to be due compliance of the provisions of Section 42, 62 of the Act and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by Resulting Company No. 2 to the shareholders of Demerged Company No. 2, as provided in this Scheme.

14.7 The consideration in the form of equity shares shall be issued and allotted by Resulting Company No. 2 in dematerialized form to all the shareholders of Demerged Company No. 2 holding such shares in dematerialized form and in physical form to all those shareholders of Demerged Company No. 2 holding such shares in physical form. Further, Resulting Company No. 2 shall ensure that the shares so allotted pursuant to this Clause are



listed on the Stock Exchanges where existing shares of Resulting Company No. 2 are listed.

14.8 In the event of there being any pending and valid share transfer, whether lodged or outstanding of any shareholders of Demerged Company No.2, the Board of Directors of Demerged Company No. 2 shall be empowered even subsequent to Record Date 2 or the Effective Date, as the case may be, to effectuate such a transfer in Demerged Company No.2 as if such changes in the registered holder were operative on Record Date 2, in order to remove any difficulties arising to Demerged Company No. 2 or Resulting Company No. 2.

14.9 Resulting Company No. 2 shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of equity shares by Resulting Company No. 2 to the non-resident/ foreign citizen equity shareholders of Demerged Company No. 2. Resulting Company No. 2 shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Resulting Company No. 2 to issue and allot equity shares to the non-resident/ foreign citizen equity shareholders of Demerged Company No. 2.

14.10 The Board of Directors of Resulting Company No. 2 shall, if and to the extent required, apply for and obtain any approvals from concerned Government/regulatory authorities and undertake



necessary compliance for the issue and allotment of equity shares to the members of Demerged Company No. 2 pursuant to Clause 14.1 of the Scheme.

14.11.1 Simultaneously with the issuance and allotment of equity shares by the Resulting Company No.2 in accordance with paragraph 14.1 above, the initial issued and paid up equity share capital of the Resulting Company No. 2 comprising of 50,000 Equity share of Rs.10/- each, aggregating to INR 5,00,000/-, as held by the existing Equity Shareholders of the Resulting Company No.2 shall be cancelled at face value of such shares. The share certificates held by the existing Equity Shareholders representing the equity shares in the Resulting Company No. 2 shall be deemed to be cancelled and not tradable from and after such cancellation.

14.11.2 *Pursuant to the demerger, every shareholder of Demerged Company NO. 2 will become shareholder of the Resulting Company No. 2 in the same proportion as shares held by such shareholders in Demerged Company No. 2. Further, there will be not be any change in the shareholding pattern of Demerged Company No. 2 as shareholding pattern of the Resulting Company No. 2 pursuant to and after the Scheme coming into effect would be same as that of the Demerged Company No. 2 and every shareholder in the Resulting Company No. 2 would be same as of Demerged Company No. 2 and hold equity shares in the same proportion as held by it in the Demerged Company No. 2*



14.11.3 Such reduction of share capital of the Resulting Company No.2 as provided in paragraph 14.11.1 above, shall be effected as a part of the Scheme on the Effective Date, upon which the share capital of the Resulting Company No.2 shall be deemed to be reduced and the order of the NCLT sanctioning the Scheme shall also be deemed to be an order under Section 66 of the Act confirming such reduction of share capital of the Resulting Company No.2.

14.11.4 The reduction would not involve a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the Resulting Company No. 2 shall not be required to add the words "And Reduced" as suffix to its name.

14.11.5 The Resulting Company No. 2 shall only obtain necessary approvals from its Equity Shareholders for this Scheme pursuant to Section 230 and 232 read with Section 66 of the Act and no separate approval shall be required for the purpose of the aforesaid capital reduction.

14.12 Resulting Company No. 2 shall apply for listing of the equity shares issued pursuant to Clause 13.1 on the Stock Exchanges in terms of the SEBI Circular. The equity shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of Demerged Company No. 2 are listed and admitted to trading, as per the Applicable Law. Resulting Company No. 2 shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with



Applicable Law for complying with the formalities of the Stock Exchanges. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange.

15 ACCOUNTING TREATMENT FOR PART III

15.1 Upon the Scheme becoming effective, Resulting Company No. 2 and Demerged Company No. 2 shall account for demerger under Part III of the Scheme of the Demerged Undertaking No. 2 in their books of accounts with effect from the Appointed Date in accordance with IND AS 103 – "Business Combination" and/ or such other applicable IND AS or such other accounting principles as may be applicable or prescribed under the Act.

16 TAX TREATMENT FOR PART III

16.1 The Scheme is in compliance with the conditions relating to a "demerger" as specified under section 2 (19AA) of the IT Act. If any provision of the Scheme is inconsistent with the provisions of section 2 (19AA) of the IT Act then the provisions of section 2 (19AA) shall prevail and the Scheme shall stand modified to that extent.

16.2 Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state sales tax, VAT laws, GST Laws comprising (i) Central Goods and Services Tax Act, 2017, (ii) State Goods and Services Tax Act,



2017 as notified by respective States, (iii) Union Territory Goods and Services Tax Act, 2017, (iv) Integrated Goods and Services Tax Act, 2017, (v) Goods and Services Tax (Compensation to States) Act, 2017 and (vi) Rules, Notifications, Amendments and Circulars issued under the respective Acts, service tax laws comprising of chapter V of the Finance Act, 1994 and Rules, Notifications, Amendments and Circulars issued thereunder, stamp laws or other applicable law / regulations (collectively, the "Tax Laws") dealing with taxes/duties/levies allocable or related to the Demerged Undertaking No. 2 of the Demerged Company No. 2 to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date related to the Demerged Undertaking No. 2 shall be vested with the Resulting Company No. 2.

16.3 All tax related compliances made and taxes (including income-tax, wealth tax, sales tax, excise duty, customs duty, VAT, etc.) paid or payable by the Demerged Company No. 2 in respect of the operations and/or the profits of Demerged Undertaking No. 2 on and from the Appointed Date, shall be on account of the Resulting Company No. 2 and, in so far as it relates to the tax payment (including without limitation income-tax, wealth tax, sales tax, excise duty, customs duty, GST, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company No. 2 in respect of the profits or activities or operation of Demerged Undertaking No. 2 on and from the Appointed Date, the same shall be deemed to be the



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corresponding item paid by the Resulting Company No. 2 and shall in all proceedings be dealt with accordingly. The provisions of the GST Laws with respect to the transfer of Demerged Undertaking No. 2 and transfer of input credit consequent to the Scheme shall be adhered to.

16.4 Any surplus in the taxation/duties/levies account including but not limited to advance income-tax and TDS and any tax credit entitlements under any Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction relating to the Demerged Undertaking No. 2 as on the date immediately preceding the Appointed Date shall also be transferred to the Resulting Company No. 2. Any tax deducted at source by the Demerged Company No. 2 and/or the Resulting Company No. 2 on transactions (if any) with the Resulting Company No. 2 and/or the Demerged Company No. 2 (as the case may be) between the Appointed Date and the Effective Date shall be deemed to be advance tax paid by the Resulting Company No. 2 and shall, in all proceedings, be dealt with accordingly.

16.5 On and from the Appointed Date: (a) any certificate for TDS or any other tax credit certificate relating to the Demerged Undertaking No. 2 is received in the name of the Demerged Company No. 2, it shall be deemed to have been received by the Resulting Company No. 2, which alone shall be entitled to claim credit for such tax deducted or paid; and (b) the benefit of all balances relating to input tax credit, CENVAT, service tax or VAT,



being balances pertaining to the Demerged Undertaking No. 2 of the Demerged Company No. 2, if any, shall stand vested in the Resulting Company No. 2 as if the transaction giving rise to the said balance or credit was a transaction carried out by the Resulting Company No. 2.

16.6 Any refund under the Tax Laws due to the Demerged Company No. 2 in relation to the Demerged Undertaking No. 2 consequent to assessments made on the Demerged Company No. 2 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company No. 2.

16.7 Without prejudice to the generality of the above, all exemptions, deductions, set-offs, refunds, benefits, losses, entitlements, incentives, drawbacks, licenses and credits (including but not limited to MAT credit, taxes withheld/paid in foreign country etc.) under the income-tax, sales tax, custom duty, excise duty, GST, VAT, any Central Government/ State Government incentive schemes etc., in relation to the Demerged Undertaking No. 2 to which the Demerged Company No. 2 is/would be entitled to in terms of the applicable Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction, shall be available to and vest in the Resulting Company No. 2.

16.8 Each of the permissions, approvals, consents, sanctions, remissions, special reservations, service tax exemptions, incentives, concessions and other authorizations of the Demerged



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Company No. 2 pertaining to the Demerged Undertaking No. 2 shall stand transferred to the Resulting Company No. 2 pursuant to the order of the NCLT. The Resulting Company No. 2 shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the order of the NCLT.

16.9 The obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company No. 2 in relation to the Demerged Undertaking No. 2 shall be made or deemed to have been made and duly complied with by the Resulting Company No. 2. The Resulting Company No. 2 shall be responsible for collecting sales tax forms and any other forms as may be applicable under the relevant Tax Laws (including without limitation the GST Laws) outstanding as on the Appointed Date from the customers of the Demerged Undertaking No. 2 with effect from the Effective Date.

16.10 The Demerged Company No. 2 and Resulting Company No. 2 are expressly permitted to file/revise its income-tax, wealth tax, service tax, vat, GST, excise, CENVAT/MODVAT and other statutory returns/ forms under the relevant Tax Laws, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. The Resulting Company No. 2 is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date. It is



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specifically declared that all the taxes/duties paid by the Demerged Company No. 2 in relation to the Demerged Undertaking No. 2 shall be deemed to be the taxes/duties paid by the Resulting Company No. 2, and the Resulting Company No. 2 shall be entitled to claim credit for such taxes deducted/paid against its tax/duty liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes/duties are in the name of the Demerged Company No. 2.

17 CONTRACTS AND DEEDS.

17.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking No. 2 to which Demerged Company No. 2 is a party or to the benefit of which Demerged Company No. 2 may be eligible, and which are subsisting or having effect immediately before the effective Date, shall be in full force and effect on or against or in favour, as the case may be Resulting Company No. 2 and may be enforced as fully and effectually if instead of Demerged Company No. 2, Resulting Company No. 2 had been a party or beneficiary or obligee thereto.

17.2 Without prejudice to other provisions of the Scheme and notwithstanding that vesting of the Demerged Undertaking No. 2 with Resulting Company No. 2 occurs by virtue of this Scheme itself, Resulting Company No. 2 may, at any time after the coming



into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Demerged Company No. 2 is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. Demerged Company No. 2 will, if necessary, also be a party to the above.

18 LEGAL PROCEEDINGS

18.1 Upon the coming into effect of the Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company No. 2 under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Demerged Undertaking No. 2 shall be continued and enforced by or against Resulting Company No. 2 after the Effective Date. In the event that the legal proceedings referred to herein require Demerged Company No. 2 and Resulting Company No. 2 to be jointly treated as parties thereto, Resulting Company No. 2 shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Demerged Company No. 2. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Demerged Undertaking No. 2 or not, the decision of the Board of Directors of Demerged Company No. 2 as to whether such



proceeding relates to the Demerged Undertaking No. 2 or not, shall be conclusive evidence of the relationship with Demerged Undertaking No. 2.

18.2 Resulting Company No. 2 undertakes to have all legal proceedings initiated by or against Demerged Company No.2 referred to in Clause 18.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company No. 2 to the exclusion of Demerged Company No.2. Both companies shall make relevant applications in that behalf.

18.3 Notwithstanding the above, in case the proceedings referred to in Clause 18.2 above cannot be transferred for any reason, Demerged Company No. 2 shall defend the same in accordance with the advice of Resulting Company and at the cost of Resulting Company No. 2, and Resulting Company No. 2 shall reimburse, indemnify and hold harmless Demerged Company No. 2 against all liabilities and obligations incurred by Demerged Company No. 2 in respect thereof.

19 STAFF, WORKMEN & EMPLOYEES

19.1 All the permanent employees of Demerged Company No. 2 engaged in or in relation to the Demerged Undertaking No. 2 of Demerged Company No. 2, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of



Resulting Company No. 2, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by Demerged Company No. 2 immediately preceding the Effective Date.

19.2 Services of the employees of Demerged Company No. 2 pertaining to the Demerged Undertaking No. 2 shall be taken into account from the date of their respective appointment with Demerged Company No. 2 for the purposes of all retirement benefits and all other entitlements for which they may be eligible. Resulting Company No. 2 further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with Demerged Company No. 2 shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with Demerged Company No. 2.

19.3 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of Demerged Company No. 2 pertaining to the Demerged Undertaking No. 2 are concerned, upon the Scheme becoming effective, Resulting Company No. 2 shall stand substituted for Demerged Company No. 2 in respect of the



employees transferred with the Demerged Undertaking No. 2 for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking No. 2 of Demerged Company No. 2 in relation to such Funds or Trusts shall become those of Resulting Company No. 2. The Trustees including the Board of Directors of Demerged Company No. 2 and Resulting Company No. 2 or through any committee/ person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of Demerged Company No. 2.

19.4 With effect from the date of filing of this Scheme with NCLT and up to and including the Effective Date, Demerged Company No. 2 shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Demerged Undertaking of Demerged Company No. 2, except with written consent of Resulting Company No. 2.

19.5 Resulting Company No. 2 undertakes to engage such of the permanent employees of Demerged Company No. 2 as are determined under Clause 19.1 of this Scheme of Arrangement, as



being substantially engaged in the Demerged Undertaking No. 2 and who are in the employment of Demerged Company No. 2 as on the Effective Date, on terms and conditions not less favourable than those on which they are engaged by Demerged Company No. 2, without any interruption of service as a result of transfer of Demerged Undertaking No. 2 to Resulting Company No. 2. Resulting Company No. 2 undertakes to continue to abide by any agreement/settlement entered into by Demerged Company No. 2 in respect of the Demerged Undertaking No. 2. Resulting Company No. 2 agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with Demerged Company No. 2 shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

20 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

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

20.1.1 Demerged Company No.2 shall carry on and be deemed to have carried on the business and activities in relation to Demerged Undertaking No. 2 and shall stand possessed of their properties and assets relating to Demerged Undertaking No. 2 for and in trust for Resulting Company No. 2 and all the profits/ losses accruing on account of the Demerged Undertaking No. 2 shall for all purposes be treated as profits/ losses of Resulting Company No.2.



20.1.2 Demerged Company No. 2 shall not utilize the profits or income, if any, relating to the Demerged Undertaking No. 2 for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of Resulting Company No. 2.

20.1.3 Demerged Company No. 2 shall not without the prior written consent of the Board of Directors of Resulting Company No. 2 or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Demerged Undertaking No. 2 or any part thereof except in the ordinary course of its business.

20.1.4 Demerged Company No. 2 shall not vary the existing terms and conditions of service of its permanent employees relating to Demerged Undertaking No. 2 except in the ordinary course of its business or without prior consent of Resulting Company No. 2 or pursuant to any pre-existing obligation undertaken by Demerged Company No. 2 as the case may be, prior to Effective Date.

20.1.5 Resulting Company No. 2 shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which Resulting Company No. 2 may require pursuant to this Scheme.



21 SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking No. 2 and continuance of the proceedings by or against Resulting Company No. 2 Resulting Company shall not in any manner affect any transaction or proceedings already completed by Demerged Company No. 2 (in respect of the Demerged Undertaking No. 2) on or before the appointed Date to the end and intent that Resulting Company No. 2 accepts all such acts, deeds and things done and executed by and/or on behalf of Demerged Company No. 2 as acts, deeds and things done and executed by and on behalf of Resulting Company No. 2.

PART IV GENERAL TERMS & CONDITIONS

22 APPLICATIONS TO NCLT/OTHER AUTHORITY.

22.1 Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company 2 shall, with all reasonable dispatch, make applications to the Hon'ble NCLT where the registered offices of Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2 are situated or such other authority having jurisdiction under law, 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 respective classes of the members and/or creditors of Demerged Company No. 1 and Demerged Company No. 2 and the Resulting



Company No. 1 and Resulting Company No. 2 as may be directed by the NCLT or such other authority having jurisdiction under law.

22.2 On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2 as directed by the NCLT or such other authority having jurisdiction under law, Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2 shall, with all reasonable dispatch, apply to the NCLT or such other authority having jurisdiction under law, 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 said NCLT or such other authority having jurisdiction under law may deem fit for carrying this Scheme into effect.

23 MODIFICATION OR CLARIFICATION

23.1 Demerged Company No. 1 and Demerged Company No. 2 (by their Directors or their committee thereof) and Resulting Company No. 1 and Resulting company No. 2 (by their Directors or their committee thereof) may assent to any modification(s) or amendment(s) in this Scheme which the Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for implementing and/or carrying out the Scheme or which may be considered necessary due to any change in law and Demerged Company No. 1 and Demerged Company No. 2 (by their Directors or their committee thereof) and



Resulting Company No. 1 and Resulting Company No. 2 (by their Directors or their committee thereof) be and is hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

23.2 Any issue as to whether any asset or liability or incentives/subsidies etc.(more specifically mentioned in Clause 1(g) and Clause 1(h) hereof) pertains to or is relatable to the Demerged Undertaking No. 1 and Demerged Undertaking No. 2 or not shall be solely decided by the Board of Directors of Demerged Company No. 1 and Demerged Company No. 2 on the basis of evidence that they may deem relevant for the purpose (including the books or records of Demerged Company No. 1 and Demerged Company No. 2).

23.3 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of Demerged Company No. 1, Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2, affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme.



24 CONDITIONALITY OF SCHEME (Amended)

24.1 The Scheme is conditional upon and subject to:

- (a) The Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2 as required under the Act approval of Appropriate Authorities being obtained and the requisite sanction and orders of the NCLT or of such other authority having jurisdiction under law, being obtained.
- (b) It is specified that with respect to the Part III of the Scheme, i.e. demerger of Demerged Undertaking No. 2 of Ishwarshakti into Resulting Company No. 2, the scheme is conditional upon scheme being approved by the public shareholders of Demerged Company No. 2 through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if vote cast by the public shareholders of Demerged Company No. 2 in favour of the proposed Scheme are more than the number of votes cast by the public shareholders against it and
- (c) The certified copies of the above orders of the NCLT or of such other authority having jurisdiction under law being filed with the Registrar of Companies.

25 COSTS, CHARGES AND EXPENSES

25.1 All past, present and future costs, charges, levies, duties and expenses (save and except stamp duty payable pursuant to transfer of Demerged Undertaking No. 1 and Demerged



Undertaking No. 2, if any, which shall be borne by Resulting Company No. 1 and Resulting Company No. 2) in relation to or in connection with or incidental to the Scheme or the implementation thereof shall be borne by Demerged Company No. 1 and Demerged Company No. 2 and all of the above costs (including stamp duty) shall be treated as costs relating to the demerger.



Certified True Copy _____
Date of Application 12/04/2024
Number of Pages 79
Fee Paid Rs. 395/-
Applicant called for collection copy on 15/04/2024
Copy prepared on 15/04/2024
Copy Issued on 15/04/2024


15/4/24
Deputy Registrar
National Company Law Tribunal, Mumbai Bench

