

**COMPOSITE SCHEME OF ARRANGEMENT**  
**AMONGST**  
**BOROSIL LIMITED**  
**AND**  
**KLASS PACK LIMITED**  
**AND**  
**BOROSIL TECHNOLOGIES LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF**  
**THE COMPANIES ACT, 2013**

**CERTIFIED TRUE COPY**

**For Borosil Limited**

**Anshu Agarwal**  
**Company Secretary**



**A. BACKGROUND OF THE COMPANIES**

- (i) **Borosil Limited ("Demerged Company")** is a public company incorporated under the provisions of the Companies Act, 1956. The Demerged Company is engaged in the business of manufacturing and trading of scientific and industrial products and consumer products. The equity shares of the Demerged Company are listed on BSE Limited and the National Stock Exchange of India Limited.
- (ii) **Klass Pack Limited ("Resulting Company" or "Transferee Company")** is a public company incorporated under the provisions of the Companies Act, 1956. The Resulting Company is engaged in the manufacture and supply of pharmaceutical vials and ampoules to the pharmaceutical industry for over 15 years and has its manufacturing facilities at Nashik, Maharashtra. The Demerged Company holds 82.49% of the issued, subscribed and paid up equity share capital of the Resulting Company.
- (iii) **Borosil Technologies Limited ("Transferor Company")** is a public company incorporated under the provisions of the Companies Act, 1956. The Transferor Company is engaged in the business of manufacturing of scientific instruments. The Transferor Company is a wholly owned subsidiary of the Demerged Company.

**B. PREMABLE**

1. This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) read with Section 2(1B), Section 2(19AA) and other applicable provisions of the Income Tax Act (*as defined hereinafter*) and provides for the following:
- (i) reduction and reorganisation of share capital of the Resulting Company;
- (ii) the demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company (*as defined hereinafter*) into the Resulting Company (*as defined hereinafter*) on a *going concern* basis, the consequent issue of shares by the Resulting Company and reduction and cancellation of the existing paid-up share capital of the Resulting Company held by the Demerged Company; and
- (iii) the amalgamation of the Transferor Company (*as defined hereinafter*) with the Transferee Company (*as defined hereinafter*).
2. This Scheme also provides for various other matters consequent and incidental thereto.

**C. RATIONALE FOR THIS SCHEME**

1. Given its diversified business, it has become imperative for the Demerged Company to reorient and reorganize itself in a manner that allows imparting greater focus on each of its businesses. With this repositioning, the Demerged Company is desirous of enhancing its operational efficiency while it continues with its consumer products business.
2. The proposed demerger pursuant to this Scheme is expected, *inter alia*, to result in following benefits:
- (i) value unlocking of scientific and industrial products business with ability to achieve valuation based on respective-risk return profile and cash flows;



- (ii) attracting business specific investors and potential strategic partners and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth and thereby enable de-leveraging of the respective businesses in the longer-term;
  - (iii) segregation and unbundling of the scientific and industrial products business of the Demerged Company into the Resulting Company, will enable enhanced focus on the Demerged Company and the Resulting Company for exploring opportunities in their respective business domains; and
  - (iv) focused management approach for pursuing the growth in the respective business' verticals and de-risk the businesses from each other.
3. As part of the restructuring exercise, it is proposed to consolidate the resources of the Transferor Company with the Transferee Company. The said amalgamation will result in the following benefits:
- (i) Streamline the corporate structure and consolidation of resources within the Transferee Company leading to greater synergies and operational synergy;
  - (ii) Opportunities for employees of the Transferor Company to grow in a wider field of business;
  - (iii) Optimal utilisation of resources and better management and administration; and
  - (iv) Reduction of administrative responsibilities, multiplicity of records and legal and regulatory compliances.
4. In order to achieve an optimum equity share capital base which will commensurate with business activities of the Resulting Company subsequent to the demerger and merger as stated above, it is proposed to reduce the face value of the equity shares and reorganise the equity share capital of the Resulting Company prior to the said demerger and merger.
5. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders of the Parties.

**D. PARTS OF THIS SCHEME**

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions, share capital and date of taking effect and implementation of this Scheme;
- (ii) **Part II** deals with reduction and reorganisation of the equity share capital of the Resulting Company;
- (iii) **PART III** deals with the demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company on a *going concern* basis, the consequent issue of shares by the Resulting Company and reduction and cancellation of the existing paid-up equity share capital of the Resulting Company held by the Demerged Company;
- (iv) **PART IV** deals with the amalgamation of the Transferor Company with the Transferee





Company; and

- (v) **PART V** deals with the general terms and conditions that would be applicable to this Scheme.

## PART I

### DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS

- 1.1 In this Scheme, unless inconsistent with the subject or context thereof: (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Law (as defined hereinafter); and (iii) the following expressions shall have the meanings ascribed hereunder:

**“Act”** means the Companies Act, 2013 and rules framed thereunder;

**“Appointed Date”** means the 1 April 2022 or such other date as may be decided by the Board of the Parties;

**“Applicable Law”** means any applicable central, provincial, local or other law including all applicable provisions of all: (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

**“Appropriate Authority”** means:

- (i) the government of any jurisdiction (including any central, State, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
- (ii) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;
- (iii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation), SEBI, the Tribunal; and
- (iv) Stock Exchanges.

**“BL ESOP”** means (i) Borosil Limited – Special Purpose Employee Stock Option Plan 2020; and (ii) Borosil Limited Employee Stock Option Scheme 2020, framed by the Demerged Company under the SEBI (Share Based Employee Benefits) Regulations, 2014 and as amended from time to time;

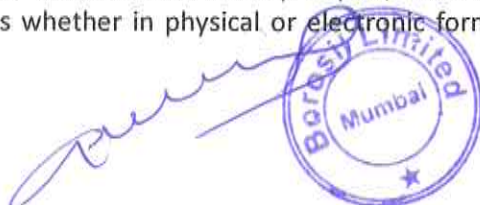


**“Board”** in relation to each of the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;

**“Demerged Company”** means Borosil Limited, a public company incorporated under the provisions of the Companies Act, 1956 and having its Corporate Identity Number L36100MH2010PLC292722 and registered office at 1101, 11<sup>th</sup> Floor, Crescenzo, G-Block, Plot No C-38, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra;

**“Demerged Undertaking”** shall mean entire activities, business, operations and undertakings of the Demerged Company forming part of the Scientific and Industrial Products Business (including investments in the Resulting Company and the Transferor Company), as on the Appointed Date, and shall include (without limitation):

- (i) all the properties (whether movable or immovable) of the Scientific and Industrial Products Business, wherever situated, including all computers and accessories, software and related data, plant and machinery, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, pertaining to or relatable to the Scientific and Industrial Products Business;
- (ii) all brands, trademarks, logos, trade and corporate name and intellectual property rights exclusive to the Scientific and Industrial Products Business;
- (iii) all rights (including management rights towards funds and carry rights) and licenses, all assignments and grants thereof, all Permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiary/ associate/ joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), rights of commercial nature including attached goodwill, non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, investments (including investments in the Resulting Company and the Transferor Company) and/ or interest (whether vested, contingent or otherwise), taxes, share of tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax, and other indirect taxes), deferred tax benefits and other benefits in respect of the Scientific and Industrial Products Business, tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangement, funds belonging to or proposed to be utilised for the Scientific and Industrial Products Business, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests relating to the Scientific and Industrial Products Business;
- (iv) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection





with or relating to the Scientific and Industrial Products Business;

- (v) all contracts, deeds, bonds, agreements, schemes, arrangements, distributor agreements, sub advisory arrangements and other instruments, permits, rights, entitlements, leases/ licenses, operation and maintenance contracts, memorandum of understanding, memorandum of agreements, memorandum of agreed points, letters of intent, hire and purchase agreements, tenancy rights, equipment purchase agreement, POA (power of attorney) and other agreement and/or arrangement, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise, which pertains to the Scientific and Industrial Products Business;
- (vi) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Scientific and Industrial Products Business;
- (vii) all employees of the Demerged Company that are determined by the Board of the Demerged Company to be substantially engaged in, or in relation to, the Scientific and Industrial Products Business, on the date immediately preceding the Effective Date;
- (viii) all liabilities present and future, corporate guarantees issued and the contingent liabilities pertaining or relatable to the Scientific and Industrial Products Business, namely:
  - (a) the debts of the Demerged Company which arises out of the activities or operations of the Scientific and Industrial Products Business;
  - (b) specific loans and borrowings raised, incurred and utilised by the Demerged Company for the activities or operations of or pertaining to the Scientific and Industrial Products Business; and
  - (c) general or multipurpose borrowings, if any, of the Demerged Company will be apportioned basis the proportion of the value of the assets transferred as part of Scientific and Industrial Products Business to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.
- (ix) funds required to incur capital expenditure in respect of tubing furnace as approved by the Board of the Demerged Company;
- (x) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Scientific and Industrial Products Business;
- (xi) All reserves relating to the Scientific and Industrial Products Business as identified by the Board of the Demerged Company; and
- (xii) all legal or other proceedings of whatsoever nature, by or against the Demerged Company pending as on the Effective Date and relating to the Scientific and Industrial Products Business.

It is clarified that the question of whether a specified asset (including investments or surplus funds) or liability pertains to or does not pertain to the Demerged Undertaking shall be decided mutually by the Board of the Demerged Company and the Resulting Company.

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**"Effective Date"** means the date on which last of the conditions specified in Clause 28 (Conditions Precedent) of this Scheme are complied with or waived, as applicable;

**"Encumbrance"** means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **"Encumber"** shall be construed accordingly;

**"INR"** means Indian Rupee, the lawful currency of the Republic of India;

**"Income Tax Act"** means the Income-tax Act, 1961 as may be amended or supplemented from time to time and shall include any statutory replacement or re-enactment thereof, read together with all applicable bye-laws, rules, regulations, orders, ordinances, policies, directions, supplements issued thereunder;

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

**"Permits"** means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

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

**"Record Date"** means the date to be fixed by the Board of the Demerged Company, in consultation with the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issue of the Resulting Company New Equity Shares, pursuant to this Scheme;

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

**"Resulting Company"** or **"Transferee Company"** means Klass Pack Limited, a public company incorporated under the provisions of the Companies Act, 1956 and having its corporate identity number U74999MH1991PLC061851 and registered office at 1101, 11<sup>th</sup> Floor, Crescenzo, G-Block, Plot No C-38, Opp. MCA Club, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra;

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

**"Scheme"** means this composite scheme of arrangement, with or without any modification(s);

**"Scientific and Industrial Products Business"** means the business of the Demerged Company in relation to manufacturing and trading of scientific and industrial products such as laboratory glassware, instruments, disposable plastics, liquid handling systems, vials and explosion proof





lighting glassware and other bench top equipment used by the pharmaceutical industry, research and development, education and healthcare segments of the market and the joint and inseparable manufacturing facility located at Bharuch which produces scientific & industrial and consumer products;

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

**"SEBI Circular"** means the circular issued by the SEBI, being SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**"SEBI LODR Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any amendments thereof;

**"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited, collectively;

**"Taxation"** or **"Tax"** or **"Taxes"** includes all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, taxes under the Income Tax Act and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction or collection at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Parties or any other Person and all penalties, charges, costs and interest relating thereto;

**"Tax Laws"** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

**"Transferor Company"** means Borosil Technologies Limited a public company incorporated under the provisions of the Companies Act, 1956 and having its corporate identification number U36999MH2009PLC197226 and registered office at 1101, 11<sup>th</sup> Floor, Crescenzo, G-block, Plot No C-38, Opp. MCA Club, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra; and

**"Tribunal"** means the Mumbai bench of the Hon'ble National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and vice versa;

1.2.2 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.3 the words "include" and "including" are to be construed without limitation.

## 2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on 31 January 2022 is as follows:

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Particulars	INR
<b>Authorised share capital</b>	
27,00,00,000 equity shares of INR 1 each	27,00,00,000
2,80,00,000 preference shares of INR 10 each	28,00,00,000
<b>Total</b>	<b>55,00,00,000</b>
<b>Issued, subscribed and paid up capital</b>	
11,41,54,667 equity shares of INR 1 each, fully paid up	11,41,54,667
<b>Total</b>	<b>11,41,54,667</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Demerged Company till the date of approval of the Scheme by the Board of the Demerged Company.

The Demerged Company has outstanding employee stock options under its BL ESOP, the exercise of which may result in an increase in the issued, subscribed and paid-up share capital of the Demerged Company.

2.2 The share capital of the Resulting Company as on 31 January 2022 is as follows:

Particulars	INR
<b>Authorised share capital</b>	
20,00,000 equity shares of INR 100 each	20,00,00,000
<b>Total</b>	<b>20,00,00,000</b>
<b>Issued, subscribed and paid up capital</b>	
16,32,949 equity shares of INR 100 each, fully paid up	16,32,94,900
<b>Total</b>	<b>16,32,94,900</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Resulting Company till the date of approval of the Scheme by the Board of the Resulting Company. The Demerged Company holds 82.49% of the issued, subscribed and paid up equity share capital of the Resulting Company.

2.3 The share capital of the Transferor Company as on 31 January 2022 is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
1,00,00,000 equity shares of INR 10 each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b>Issued, subscribed and paid up capital</b>	
95,84,043 equity shares of INR 10 each, fully paid up	9,58,40,430
<b>Total</b>	<b>9,58,40,430</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company. The Transferor Company is a wholly owned subsidiary of the Demerged Company.

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

- 3.1 This Scheme set out herein in its present form or with any modification(s) made under Clause 27 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.

**PART II**

**REDUCTION AND REORGANIZATION OF EQUITY SHARE CAPITAL OF THE RESULTING COMPANY**

**4. REDUCTION AND REORGANIZATION OF EQUITY SHARE OF THE RESULTING COMPANY**

- 4.1 With effect from the Effective Date, the face value of the equity shares of the Resulting Company shall be reduced from INR 100 each to INR 10 each such that, the issued, subscribed and paid up equity share capital of the Resulting Company is reduced from the present sum of INR 16,32,94,900 divided into 16,32,949 equity shares of INR 100 each fully paid to INR 1,63,29,490 divided into 16,32,949 equity shares of INR 10 each fully paid up.
- 4.2 Immediately, upon reduction of the face value of the equity shares of the Resulting Company under Clause 4.1 above, every 1 equity share of the Resulting Company of face value of INR 10 each shall be further split into 10 equity of INR 1 each, such that the issued, subscribed and paid up equity share capital of the Resulting Company shall be INR 1,63,29,490 divided into 1,63,29,490 equity shares of INR 1 each fully paid up.
- 4.3 The reduction and reorganisation of the share capital of the Resulting Company under Sections 230 to 232 of the Act shall be effected as an integral part of this Scheme itself.
- 4.4 The reduction and reorganisation of the equity shares of the Resulting Company as stated in Clause 4.1 and Clause 4.2 above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.
- 4.5 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add 'And Reduced' as suffix to its name.
- 4.6 It is clarified that the approval of the members of the Resulting Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum and articles of association of the Resulting Company as may be required under the Act.

**PART III**

**DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING**

**5. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING**

- 5.1 Immediately upon effectiveness of Part II of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to





232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a *going concern* basis, so as to become as an from the Appointed Date, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

This Scheme complies with the definition of "demerger" as per Section 2(19AA) and other applicable provisions of the Income Tax Act. Subject to approval by the Board of the Parties, if any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in accordance with aforesaid provisions of the Income Tax Act.

5.2 Without prejudice to the generality of the provisions of Clause 5.1 above, the manner of transfer and vesting of assets and liabilities forming part of the Demerged Undertaking under this Scheme, is as follows:

5.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, domain names, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Part III of the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

5.2.2 Subject to Clause 5.2.3 below, with respect to the assets forming part of the Demerged Undertaking other than those referred to in Clause 5.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

5.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the





Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/ or the Resulting Company;

- 5.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 5.2.3 above and Clause 5.2.5 below, it is clarified that, with respect to the immovable properties forming part of the Demerged Undertaking in the nature of land and buildings, the Demerged Company and/ or the Resulting Company shall register the true copy of the orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 5.2.4 or Clause 5.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Demerged Company takes place and the assets and liabilities forming part of the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 5.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties forming part of the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Resulting Company, if the Resulting Company so decides, the Demerged Company and/ or the Resulting Company, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of the Demerged Undertaking vested in the Resulting Company pursuant to this Scheme;
- 5.2.6 Upon effectiveness of Part III of the Scheme and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent/ potential Tax liabilities of the Demerged Undertaking shall pursuant to the applicable provisions of the Act and the provisions of Part III of this Scheme and without any further act or deed become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is 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. The amounts of general or multipurpose borrowings, if any, of the Demerged Company will be apportioned basis the proportion of the value of the assets transferred as part of the Demerged Undertaking to the total value of the assets of the Demerged Company immediately before Appointed Date;
- 5.2.7 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may





be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes;

- 5.2.8 Unless otherwise agreed to between the Board of the Demerged Company and the Resulting Company, the vesting of all the assets of the Demerged Company forming part of the Demerged Undertaking, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets forming part of the Demerged Undertaking of the Demerged Company or part thereof on or over which they are subsisting on and vesting of such assets in the Resulting Company and no such Encumbrances shall extend over or apply to any other asset(s) of Resulting Company. Any reference in any security documents or arrangements (to which Demerged Company is a party) related to any assets of Demerged Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Resulting Company. Similarly, Resulting Company shall not be required to create any additional security over assets vested under this Scheme for any loans, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of the Demerged Company shall not extend or be deemed to extend or apply to the assets so vested;
- 5.2.9 In so far as any Encumbrance in respect of liabilities pertaining to the Demerged Undertaking is concerned, such Encumbrance shall without any further act, instrument or deed being required to be modified and, if so agreed, shall be extended to and shall operate over the assets of the Resulting Company. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the liabilities pertaining to the Demerged Undertaking is concerned, without any further act, instrument or deed being required, be released and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities;
- 5.2.10 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Demerged Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable;
- 5.2.11 Upon the Scheme becoming effective, the Demerged Company and/ or the Resulting Company shall have the right to revise their respective financial statements, income tax returns, tax deducted at source (TDS) returns and other statutory returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds, credit of tax deducted at source, credit of minimum alternate tax, credit of foreign taxes paid / withheld, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST) and other indirect taxes etc., and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim





deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company;

- 5.2.12 Subject to Clause 5 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 5.2.13 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company;
- 5.2.14 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall subject to Applicable Law be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever; and
- 5.2.15 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to and vested in the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.
- 5.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. The Resulting Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts forming part of the Demerged Undertaking transferred and/ or registered in its name.

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## 6. EMPLOYEES

- 6.1 With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, leave balance, gratuity, superannuation and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking, be decided by the Demerged Company, and shall be final and binding on all concerned.
- 6.2 Upon the Scheme coming into effect and with effect from the Appointed Date, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Demerged Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Resulting Company.
- 6.3 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.
- 6.4 **Employee stock options:**
- 6.4.1 Upon the coming into effect of Part III of the Scheme, the Resulting Company shall formulate new employee stock option scheme(s) by adopting the BL ESOP of the Demerged Company, as modified in accordance with the variations mentioned in this Clause 6.4;
- 6.4.2 With respect to the stock options granted by the Demerged Company to the employees of the Demerged Company or its subsidiaries (irrespective of whether they continue to be employees of the Demerged Company or its subsidiaries or become employees of the Resulting Company or its subsidiaries pursuant to this Scheme) under the BL ESOP and upon the Scheme becoming effective, the said employees shall be granted 3 (Three) stock options by the Resulting Company under the new scheme(s) for every 4 (Four) stock options held in the Demerged Company, whether the same are vested or not on terms and conditions similar to the BL ESOP;





- 6.4.3 The employee stock options granted by the Demerged Company under the BL ESOP, would continue to be held by the employees concerned (irrespective of whether they continue to be employees of the Demerged Company or its subsidiaries or become employees of the Resulting Company or its subsidiaries). Upon coming into effect of the Scheme, the Demerged Company shall take necessary steps to modify the BL ESOP in a manner considered appropriate and in accordance with the Applicable Laws, in order to enable the continuance of the same in the hands of the employees who become employees of the Resulting Company or its subsidiaries, subject to the approval of the Stock Exchanges and the relevant regulatory authorities, if any, under Applicable Law;
- 6.4.4 The existing exercise price of the stock options granted by the Demerged Company under the BL ESOP, shall be modified and the Board of the Demerged Company shall determine the exercise price consequent to the demerger. The Board of the Demerged Company and Resulting Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 6.4. Approval granted to the Scheme by the shareholders of the Demerged Company and the Resulting Company shall also be deemed to be the approval granted to any modifications made to the BL ESOP of the Demerged Company and approval granted to the new employee stock option scheme to be adopted by the Resulting Company, respectively;
- 6.4.5 While granting stock options, the Resulting Company shall take into account the period during which the employees held stock options granted by the Demerged Company prior to the issuance of the stock options by the Resulting Company, for determining of minimum vesting period required for stock options granted by the Resulting Company, subject to Applicable Laws;
- 6.4.6 The Demerged Company and the Resulting Company shall reimburse each other for cost debited to the profit & loss account or any suspense / subsidy account, subsequent to the Appointed Date, in relation to stock options issued to employees of the other company or its subsidiaries, if necessary and required; and
- 6.4.7 The Boards of the Demerged Company and the Resulting Company or any of the committee(s) thereof, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 6.4 of the Scheme.

## 7. LEGAL PROCEEDINGS

- 7.1 With effect from the Effective Date, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings under Tax laws) by or against the Demerged Company pending and/ or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Resulting Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party





to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.

- 7.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings under Tax laws) initiated by or against the Demerged Company referred to in Clause 7.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. Both the Demerged Company and/ or the Resulting Company shall make relevant applications and take all steps as may be required in this regard. It is clarified that all Tax proceedings in relation to the Demerged Undertaking for a period prior to the Appointed Date shall be enforced against the Demerged Company and pertaining to the period after the Appointed Date shall be enforced against the Resulting Company.
- 7.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under Tax laws), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

## 8. CONSIDERATION

- 8.1 Immediately upon effectiveness of Part II of this Scheme and upon Part III of the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date, as under:

*3 (Three) fully paid up equity share of INR 1/- each of the Resulting Company (post proposed re-organisation of share capital) credited as fully paid up, for every 4 (Four) fully paid up equity share of INR 1/- each of the Demerged Company*

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

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





- 8.3 The issue and allotment of Resulting Company New Equity Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Resulting Company New Equity Shares.
- 8.4 Subject to Applicable Laws, the Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Resulting Company New Equity Shares in terms of this Scheme. The shareholders of the Demerged Company who hold shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Resulting Company, prior to the Record Date to enable it to issue the Resulting Company New Equity Shares.
- 8.5 However, if no such details have been provided to the Resulting Company by the shareholders of the Demerged Company holding shares in physical form on or before the Record Date, the Resulting Company shall deal with the relevant shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialised form to a trustee nominated by the Board of Resulting Company ("**Trustee of Resulting Company**") who shall hold these shares in trust for the benefit of such shareholders. The shares of Resulting Company held by the Trustee of Resulting Company for the benefit of the shareholders shall be transferred to the respective shareholder once such shareholder provides details of his/ her/ its demat account to the Trustee of Resulting Company, along with such other documents as may be required by the Trustee of Resulting Company. The respective shareholders shall have all the rights of the shareholders of the Resulting Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of shares from the Trustee of Resulting Company. All costs and expenses incurred in this respect shall be borne by Resulting Company.
- 8.6 For the purpose of the allotment of the Resulting Company New Equity Shares pursuant to this Scheme, in case any shareholder's holding in any of the Demerged Company is such that the shareholder becomes entitled to a fraction of a share of the Resulting Company, the Resulting Company shall not issue fractional shares to such shareholder but shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Resulting Company in that behalf), who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices at any time within a period of 90 days from the date of allotment of Resulting Company New Equity Shares, as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the shares of the Resulting Company pertaining to the fractional entitlements.

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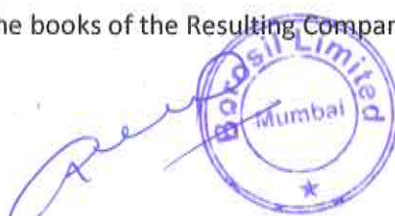
- 8.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of shares in the Demerged Company, after effectiveness of Part III of this Scheme.
- 8.8 The Resulting Company New Equity Shares to be issued pursuant to this Scheme in respect of any shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 8.9 The shares to be issued by the Resulting Company *in lieu* of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for shareholders of the Resulting Company.
- 8.10 In the event, the Demerged Company and/ or the Resulting Company restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, as per Clause 8.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 8.11 The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The equity shares of the Resulting Company shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its shares which may affect the status of approval of the Stock Exchanges.
- 8.12 Upon listing of equity shares of the Resulting Company pursuant to this Scheme, the shareholders of the Resulting Company, except the Demerged Company, shall be categorised as 'public' shareholders and the term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- 8.13 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

## 9. ACCOUNTING TREATMENT

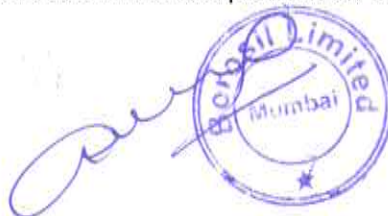
### 9.1 Accounting treatment in the books of the Demerged Company:

- 9.1.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company shall reduce the book value of all assets (including goodwill), liabilities pertaining to the Demerged Undertaking and reserves related to the Demerged Undertaking, as identified by the Board of the Demerged Company, transferred to the Resulting Company from its books of accounts.
- 9.1.2 The difference between the book value of all assets (including goodwill), liabilities pertaining to the Demerged Undertaking and reserves related to the Demerged Undertaking, as identified by the Board of Demerged Company, transferred to the Resulting Company shall be adjusted in retained earnings of the Demerged Company.

### 9.2 Accounting treatment in the books of the Resulting Company:



- 9.2.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company shall account for the Demerged Undertaking in its books as per the applicable accounting principles as laid down in Appendix C of the Indian Accounting Standard 103 (Ind AS 103) (Business Combination of entities under common control), notified under the Act and/ or any other applicable Indian Accounting Standard as the case may be.
- 9.2.2 With respect to reduction of the equity share capital of the Resulting Company as specified in Clause 4.1 above, the Resulting Company shall reduce its equity share capital account in its books of account with corresponding increase in capital reserve for an aggregate of INR 90 multiplied by the equity shares held by the members of the Resulting Company.
- 9.2.3 The Resulting Company shall record the assets (including goodwill), liabilities and reserves comprised in the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at the same value as appearing in the books of the Demerged Company.
- 9.2.4 The reserves related to the Demerged Undertaking and being transferred to the Resulting Company as determined by the Board of the Demerged Company shall be preserved and shall appear in the financial statements of the Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company.
- 9.2.5 The shareholding of the Demerged Company in the Resulting Company as on the Appointed Date will stand cancelled and the difference between the above and share capital of Resulting Company shall be adjusted in capital reserve.
- 9.2.6 The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the equity shares issued to shareholders of the Demerged Company pursuant to Clause 8 of this Scheme.
- 9.2.7 The difference, being the excess of book value of the assets over the liabilities pertaining to the Demerged Undertaking and reserves relating to Demerged Undertaking transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 9.2.3 above, over the amount credited as share capital as per Clause 9.2.6 above, and after giving effect to Clause 9.2.5 above, shall be adjusted in capital reserve.
- 9.2.8 Loans, advances, deposits, balances and other dues outstanding as on the Appointed Date between the Demerged Company pertaining to the Demerged Undertaking and the Resulting Company will stand cancelled and there shall be no further obligation/ outstanding in that behalf and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 9.2.9 In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference till the Appointed Date shall be adjusted in capital reserves of the Resulting Company, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.





**10. REDUCTION AND CANCELLATION OF EXISTING EQUITY SHARES OF THE RESULTING COMPANY HELD BY DEMERGED COMPANY**

- 10.1 With effect from Part III of this Scheme becoming effective and upon allotment of Resulting Company New Equity Shares by the Resulting Company, the entire paid-up equity share capital, as on Effective Date, of the Resulting Company held by the Demerged Company ("**Resulting Company Cancelled Shares**") shall stand cancelled, extinguished and annulled on and from the Effective Date and the issued, subscribed and paid up equity capital of the Resulting Company to that effect shall stand cancelled and reduced.
- 10.2 The reduction of the share capital of the Resulting Company under Sections 230 to 232 of the Act shall be effected as an integral part of this Scheme itself.
- 10.3 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add 'And Reduced' as suffix to its name.
- 10.4 The reduction and cancellation of the Resulting Company Cancelled Shares, does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

**11. CHANGE OF NAME OF THE RESULTING COMPANY**

- 11.1 Upon this Scheme becoming effective, the name of the Resulting Company shall stand changed to 'Borosil Scientific Limited' or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority, unless already effected prior to the effectiveness of the Scheme, and no separate act, procedure, instrument, or deed shall be required to be followed under the Act.
- 11.2 Consequently, subject to Clause 11.1 above:

- 11.2.1 Clause I of the memorandum of association of the Resulting Company shall without any act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following Clause:

*"The name of the Company is Borosil Scientific Limited."*

- 11.2.2 It is hereby clarified that, for the purposes of acts and events as mentioned in Clause 11.1 and 11.2, the consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed.

**PART IV**

**AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY**

**12. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF THE TRANSFEROR COMPANY**

- 12.1 Immediately upon effectiveness of Part II and Part III of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections



230 to 232 and other applicable provisions of the Act and Section 2(1B) of the Income Tax Act, the Transferor Company shall stand transferred to and vested in the Transferee Company as a *going concern* and accordingly, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Transferee Company by virtue of operation of law, and in the manner provided in this Scheme.

12.2 Without prejudice to the generality of the provisions of Clause 12.1 above, the manner of transfer and vesting of assets and liabilities of the Transferor Company under this Scheme immediately upon effectiveness of Part IV of this Scheme and with effect from the Appointed Date, is as follows:

12.2.1 In respect of such of the assets and properties of the Transferor Company which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Transferor Company, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Transferee Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

12.2.2 Subject to Clause 12.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 12.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date, by operation of law as transmission or as the case may be, in favour of Transferee Company.

12.2.3 In respect of such of the assets and properties of the Transferor Company which are immovable in nature, including rights, interest and easements in relation thereto, the same shall stand transferred to the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/or the Transferee Company.

12.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 12.2.3 above and Clause 12.2.5 below, it is clarified that, with respect to the immovable properties of the Transferor Company in the nature of land and buildings, the Transferor Company and/ or the Transferee Company shall register the true copy of

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the orders of the Authority approving the Scheme with the offices of the relevant sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 12.2.4 or Clause 12.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Transferor Company takes place and the assets and liabilities of the Transferor Company shall be transferred solely pursuant to and in terms of this Scheme and the order of the Appropriate Authority sanctioning this Scheme.

- 12.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, the Transferor Company and/ or the Transferee Company, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 12.2.6 All debts, liabilities, duties and obligations of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 12.
- 12.2.7 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.
- 12.2.8 Unless otherwise agreed between the Transferor Company and the Transferee Company, the vesting of all the assets of the Transferor Company, as aforesaid, shall be along with the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of the Transferor Company or part thereof on or over which they are subsisting prior to the amalgamation of the Transferor Company with the Transferee Company, and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company.





- 12.2.9 Unless otherwise stated in this Scheme, all Permits, including the benefits attached thereto of the Transferor Company, shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company to carry on the operations of the Transferor Company without any hindrance, whatsoever.
- 12.2.10 Without prejudice to the provisions as stated above, all trade and service names and marks, patents, copyrights, designs, goodwill which includes the positive reputation that the Transferor Company were enjoying to retain its clients, statutory licenses, infrastructural advantages, overall increase in market share, customer base, skilled employees, business claims, business information, business contracts, trade style and name, marketing and distribution channels, marketing or other commercial rights, customer relationship, trade secrets, information on consumption pattern or habits of the consumers in the territory, technical know-how, client records, KYC (know your customer) records/ POAs (power of attorney), authorisations, client details and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company shall be transferred to the Transferee Company from the Appointed Date, without any further act, instrument or deed.
- 12.2.11 All contracts where the Transferor Company is a party, shall stand transferred to and vested in the Transferee Company pursuant to this Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Transferee Company shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.
- 12.2.12 Provided that, upon this Scheme coming into effect, all inter-company transactions including loans, contracts executed or entered into by or *inter se* between the Transferor Company and the Transferee Company, if any, shall stand cancelled with effect from the Effective Date and neither the Transferor Company and/ or Transferee Company shall have any obligation or liability against the other party in relation thereto.
- 12.3 Without prejudice to the provisions of the foregoing sub-clauses of Clause 12.2, the Transferor Company and the Transferee Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. Any procedural requirements required to be fulfilled solely by the Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.





The Transferee Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts of the Transferor Company transferred and/ or registered in its name.

**13. EMPLOYEES**

13.1 Upon effectiveness of Part IV of the Scheme and with effect from the Effective Date, all employees of the Transferor Company shall become employees of the Transferee Company, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Transferor Company with any Persons in relation to the employees of the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the transfer shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, leave balance, gratuity and other retiral/ terminal benefits.

13.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/ or such new provident fund, gratuity fund and superannuation fund to be established by the Transferee Company, in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities.

**14. LEGAL PROCEEDINGS**

Upon effectiveness of Part IV of the Scheme and with effect from the Effective Date, if any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatsoever nature by or against the Transferor Company pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by anything contained in this Scheme, but such proceedings of the Transferor Company may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

**15. TAXES/ DUTIES/ CESS**

Upon effectiveness of Part IV of the Scheme and with effect from the Appointed Date, by operation of law pursuant to the order of the Appropriate Authority:

15.1 All the profits or income taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, minimum alternate tax credit, any credit for dividend distribution tax on dividend received by the Transferor Company), all input credit balances (including but not limited to CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws) or any costs, charges, expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely advance tax, Tax deducted at source, Tax collected at source, dividend





distribution tax & foreign tax credits), tax losses, minimum alternate tax credit, dividend distribution tax credit, input credit balances (namely CENVAT/ MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the goods and service tax laws, income costs, charges, expenditure or losses of the Transferee Company, as the case may be.

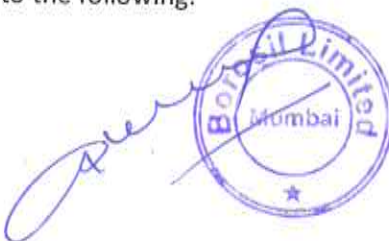
- 15.2 If the Transferor Company is entitled to any benefits under incentive schemes and policies under Tax Laws, such as tax deferrals, exemptions, benefits and subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and all such benefits under all such incentive schemes and policies as mentioned above shall be available and stand vested in the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 15.3 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/ or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. The Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, even beyond the due date, if required, including tax deducted/ collected at source returns, service tax returns, excise tax returns, sales tax/ value added tax/ goods and service tax returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign Taxes paid/ withheld, etc. if any, as may be required for the purposes of implementation of the Scheme.
- 15.4 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Appropriate Authority having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the Person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company.

## 16. **CONSIDERATION**

- 16.1 Immediately upon effectiveness of Part III of the Scheme, the Transferor Company will become a wholly owned subsidiary of the Transferee Company and the entire paid-up share capital of the Transferor Company will be held by the Transferee Company. Accordingly, upon amalgamation of the Transferor Company with the Transferee Company, there shall be no issue of shares as consideration for the said amalgamation.
- 16.2 Immediately upon effectiveness of Part IV of the Scheme, all equity shares of the Transferor Company held by the Transferee Company along with its nominees, shall stand cancelled without any further application, act, or deed.

## 17. **ACCOUNTING TREATMENT**

The Transferee Company shall comply with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the transactions in the Scheme including but not limited, to the following:





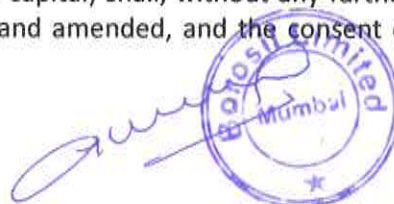
- 17.1 Upon Part IV of this Scheme coming into effect and after giving effect to the accounting treatment specified in the aforementioned Clause 9 of Part III of the Scheme and with effect from Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with "Pooling of Interest Method" laid down by Appendix C of Indian Accounting Standard 103 (Ind AS 103): (Business combinations of entities under common control), notified under the Act and/ or any other applicable Indian Accounting Standard as the case may be.
- 17.1.1 On and from the Appointed Date and subject to the provisions hereof, all assets, liabilities and reserves of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form.
- 17.1.2 All equity shares of the Transferor Company held by the Transferee Company shall stand cancelled without any further application, act or deed.
- 17.1.3 The difference, if any, between the investments held by the Transferee Company and all assets, liabilities and reserves of the Transferor Company, will be transferred to capital reserve.
- 17.1.4 To the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case maybe and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 17.1.5 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted to the capital reserves, in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

## 18. DISSOLUTION OF THE TRANSFEROR COMPANY

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

## 19. COMBINATION OF AUTHORISED SHARE CAPITAL

- 19.1 Upon Part IV of this Scheme becoming effective, the authorised share capital of the Transferor Company as on the Effective Date will be combined with the authorised share capital of the Transferee Company and accordingly the authorised share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC.
- 19.2 The memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the





Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be, and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company.

- 19.3 Consequentially, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended, to reflect the increased combined authorised share capital as per Clause 19.1 above, pursuant to Sections 13, 61, 64, and other applicable provisions of the Act.
- 19.4 It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum and articles of association of the Transferee Company as may be required under the Act.
- 19.5 The Transferee Company shall file with the RoC, all requisite forms and complete the compliance and procedural requirements under the Act, if any.

## PART V

### GENERAL TERMS & CONDITIONS

#### 20. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 20.1 The Remaining Business of the Demerged Company and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company/ Transferee Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 20.2 All legal, Tax and/ or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Company/ Transferee Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Business of the Demerged Company.
- 20.3 If the Resulting Company/ Transferee Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Company/ Transferee Company shall, in view of the transfer and vesting of the Demerged Undertaking, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company/ Transferee Company with the Demerged Company. However, if the Resulting Company/ Transferee Company, is unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Company/ Transferee





Company, against all liabilities and obligations incurred by or against the Resulting Company/ Transferee Company, in respect thereof.

**21. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of this Scheme, the resolutions/ power of attorney of/ executed by the Demerged Company in relation to the Demerged Undertaking and the Transferor Company, as the case may be, as considered necessary by the Board of the Demerged Company in relation to the Demerged Undertaking and the Transferor Company, as the case may be, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company/ Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Demerged Company and/ or the Transferor Company, as the case may be, shall be added to the limits, if any, under like resolutions passed by the Resulting Company/ Transferee Company, and shall constitute the aggregate of the said limits in Resulting Company/ Transferee Company.

**22. DIVIDENDS**

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

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

**23. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE**

23.1 With effect from the date of approval of the Scheme by the Board of the Parties and up to and including the Appointed Date, the Demerged Company with respect to Demerged Undertaking and the Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company/ Transferee Company.

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

23.2.1 The Transferor Company and the Demerged Company with respect to the Demerged Undertaking, shall carry on their respective businesses with reasonable diligence and business prudence and in the same manner as the Transferor Company and the Demerged Company had been doing hitherto;

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





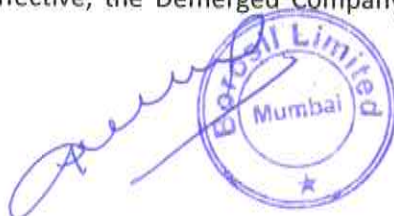
23.2.3 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company/ Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon demerger of the Demerged Undertaking and amalgamation of the Transferor Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company/ Transferee Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company/ Transferee Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company/ Transferee Company pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company/ Transferee Company. It is clarified that the Resulting Company/ Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/ or substitution.

#### 24. **PROPERTY IN TRUST**

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies, any third party, or otherwise, in favour of the Resulting Company/ Transferee Company, the Resulting Company/ Transferee Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Resulting Company/ Transferee Company, the Demerged Company will continue to hold the property and/ or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of, the Resulting Company/ Transferee Company.

#### 25. **FACILITATION PROVISIONS**

- 25.1 Immediately upon the Scheme being effective, the Demerged Company and the Resulting Company/ Transferee Company shall enter into agreements as may be necessary, *inter alia* in relation to use of office space, land, building, manufacturing facilities, infrastructure facilities, information technology services, security personnel, trademarks and other intellectual property rights, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between them.
- 25.2 Without prejudice to the generality of the foregoing Clause 25.1 above, immediately upon the Scheme being effective, the Demerged Company and the Resulting Company/ Transferee





Company shall enter into necessary agreements whereby, the Demerged Company shall provide shared services viz. accounting, tax, human resources, legal, secretarial, research and development etc. to the Resulting Company/ Transferee Company on such terms and conditions that may be mutually agreed between them.

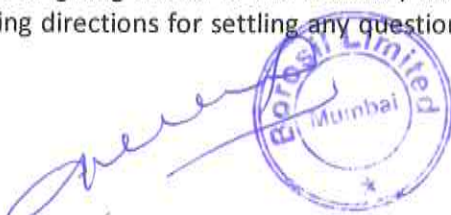
- 25.3 Immediately upon the Scheme being effective, all brands, trademarks, logos, trade and corporate name and such intellectual property rights common to the Scientific and Industrial Products Business and the Remaining Business, shall be made available by the Demerged Company for the use of the Resulting Company/ Transferee Company, for such period as may be mutually decided by the Boards of the Demerged Company and the Resulting Company/ Transferee Company, without any charges/ fees/ levies/ costs.
- 25.4 The transactions of sale and purchase of products between the Demerged Company and the Resulting Company/ Transferee Company from the Appointed Date and until the Effective Date, shall be recorded on an arm's length basis in their respective books of accounts.
- 25.5 Immediately upon the Scheme being effective, the Demerged Company and the Resulting Company/ Transferee Company shall enter into necessary agreement(s) on mutually agreed terms, for purchase and sale of the consumer products manufactured by the Resulting Company/ Transferee Company at Bharuch facility.
- 25.6 It is clarified that approval of the Scheme by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and Regulation 23 and other applicable regulations of SEBI LODR Regulations and that no separate approval of the Board or audit committee or shareholders shall be required to be sought by the Parties.
- 25.7 It is clarified that all guarantees provided by the Demerged Company in respect of the Demerged Undertaking and the Transferor Company shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company/ Transferee Company.

## 26. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

- 26.1 The Parties shall make and file all applications and petitions under sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.
- 26.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Resulting Company/ Transferee Company may require to own the assets and/ or liabilities of the Transferor Company or the Demerged Undertaking, as the case may be, and to carry on the business of the Transferor Company and the Demerged Undertaking, as the case may be.

## 27. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 27.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 27.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such



directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

**28. CONDITIONS PRECEDENT**

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

28.1.1 obtaining no-objection letter from Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;

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

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

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

28.2 Without prejudice to Clause 28.1 and subject to the satisfaction or waiver of the conditions mentioned in Clause 28.1 above, the Scheme shall be made effective in the order as contemplated below:

28.2.1 Part II of the Scheme shall be made effective;

28.2.2 Immediately upon effectiveness of Part II of the Scheme, Part III of the Scheme shall be made effective; and

28.2.3 Immediately thereafter, Part IV of the Scheme shall be made effective.

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

28.4 On the approval of this Scheme by the shareholders and such other classes of Persons of the said Parties, if any, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, amalgamation, capital reduction set out in this Scheme, related matters and this Scheme itself.

**29. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS**

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

29.2 In the event of withdrawal of the Scheme under Clause 29.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.

29.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme or relevant part(s) of this Scheme

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shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

30. **COSTS AND TAXES**

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

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