

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

BETWEEN

RDB REALTY & INFRASTRUCTURE LIMITED

(Demerged Company)

And

RDB REAL ESTATE CONSTRUCTIONS LIMITED

(Resulting Company)

And

Their respective Shareholders



PREAMBLE

- A. This Scheme of Arrangement has been propounded for demerger and vesting of the 'Realty Business Undertaking' (as defined hereinafter) of RDB REALTY & INFRASTRUCTURE LIMITED ('Demerged Company'), as a going concern to RDB REAL ESTATE CONSTRUCTIONS LIMITED (Resulting Company') pursuant to Sections 230 to 232 read with other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, and also read with Section 2(19AA), Section 2(19AAA), Section 2(41A) and other applicable provisions of the Income-tax Act, 1961. Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

After the effectiveness of this Scheme, the share capital of the Resulting Company, consisting of fully paid up new equity shares of the Resulting Company issued to the shareholders of the Demerged Company as consideration in terms of Part B of the Scheme shall be listed on the BSE Limited ['BSE'] and the Calcutta Stock Exchange Limited ['CSE'], in accordance with the provisions of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, dated 23rd November, 2021, as amended from time to time.

B. BACKGROUND OF COMPANIES

1. RDB REALTY & INFRASTRUCTURE LIMITED (Demerged Company') is a public company limited by shares and listed on the BSE Limited ['BSE'] and the Calcutta Stock Exchange Limited ['CSE']. The Demerged Company was incorporated under the Companies Act, 1956 on 23rd June, 2006 in the state of West Bengal and having its registered office situated at Bikaner Building, 8/1, Lal bazar Street 1st Floor Room No-10 Kolkata-700001, West Bengal. The Corporate Identification Number (CIN) of the Demerged Company is L16003WB2006PLC110039. and the Permanent Account Number (PAN") of the Demerged Company is AADCR8845C. The Demerged Company is engaged in Realty Business and Infrastructure Business.
2. RDB REAL ESTATE CONSTRUCTIONS LIMITED (Resulting Company) was incorporated under the Companies Act, 2013 on 27th July, 2018 in the state of West Bengal as a public company, limited by shares, having its registered office situated at Bikaner Building, 8/1, Lal bazar Street 1st Floor Room No-11 Kolkata-700001, West Bengal. The CIN of the Resulting Company is U70200WB2018PLC227169 and the PAN of the Resulting Company is AAHCB9364N. The Resulting Company was incorporated with the objective of Realty Business. The Resulting Company is a Wholly Owned Subsidiary of The Demerged Company.



C. RATIONALE FOR THIS SCHEME OF ARRANGEMENT

The Demerged Company is engaged in Realty and Infrastructure business and owns the following two business undertakings:

- Realty Business Undertaking
- Infrastructure Business Undertaking

The Demerged Company would demerge its Realty Business Undertaking thereafter referred to as (the 'Demerged Undertaking') to the Resulting Company and it would continue to run and operate the Infrastructure Business Undertaking (hereinafter referred to as the 'Remaining Undertaking'). The underlying business rationale and objectives are as follows:-

1. The Demerged Undertaking and the Remaining Undertaking have their own set of strengths and dynamics in the form of nature of risks, competition, challenges, opportunities and business methods, leading to different growth potentials. Hence, segregation of the two undertakings would enable a focused management to explore the potential business opportunities effectively and efficiently.
2. The demerger would result in achieving efficiency in operational processes by designing and implementing independent strategies specifically designed for the two businesses and in optimizing profitability. This would in turn enhance the shareholders' wealth.
3. Targeting and attracting new investors with specific focus and expertise in the two businesses, thereby providing the necessary funding impetus to the long-term growth strategy of the two businesses.

Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE & CSE. Therefore, the existing shareholders of the Demerged Company would hold the shares of two listed entities after the Scheme becoming effective. Such shareholders would then be able to choose whether they want to remain invested in either or both the businesses/operations of the Demerged Company, giving them flexibility in managing their investment in the two businesses having differential dynamic.

The Board of Directors of the Demerged Company and the Resulting Company believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including its minority shareholders for the reasons aforesaid.



PARTS OF THE SCHEME

This Scheme of Arrangement is divided into the following parts:

PART A	Deals with definitions of the terms used in this Scheme of Arrangement, share capital of the companies and the Operation of this Scheme.
PART B	Deals with the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company.
PART C	Reduction and cancellation of the entire pre-scheme share capital of the resulting company
PART D	Deals with general terms and conditions applicable to this Scheme



PART A

1. DEFINITIONS

In this Scheme (as defined hereafter), unless repugnant to or inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1 "Act" or "the Act" means the Companies Act, 2013 and rules made thereunder or statutory modifications, amendments or re-enactment thereof,
- 1.2 "Accounting Standards" means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standards (Ind-AS), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India and/or the National Financial Reporting Authority;
- 1.3 "Applicable law" means all the applicable statutes, notification, enactments, act of legislature, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or other instructions having force of law enacted or issued by any Appropriate Authority including any statutory modifications or re-enactment thereof for the time being in force;
- 1.4 "Appointed Date" for the purposes of this Scheme shall mean 1st October, 2022 or such other date as may be fixed by the Hon'ble National Company Law Tribunal. Kolkata Bench, while sanctioning the Scheme;
- 1.5 "Appropriate Authority" means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, including the Registrar of companies, the Regional Director, Hon'ble NCLT,



Securities And Exchange Board of India, Stock Exchange, and such other regulators or authorities as may be applicable;

1.6 "Assets" shall mean and include without limitation, assets or properties of every kind, nature, character and description whether movable, immovable, tangible, intangible, including mutual fund investments, patent and trademark, whether owned or leased or otherwise acquired or possessed;

1.7 "Demerged Company" shall mean RDB REALTY & INFRASTRUCTURE LIMITED, a Company incorporated under companies Act, 1956 and having its Registered Office Bikaner Building, 8/1, Lal bazar Street 1st Floor Room No-10 Kolkata -700001, West Bengal. The CIN of the Demerged Company is L16003WB2006PLC110039.

1.8 "Demerged Undertaking" or "Realty Business Undertaking" means and includes all activities, business operations of such undertaking, properties, Assets and Liabilities of whatsoever nature and kind and wherever, situated, of and relating to the Realty Business Undertaking of the Demerged Company as detailed below:

- i. The business relating to "Realty Business Undertaking" of the Demerged Company and other ancillary business connected therewith, on a going concern basis.
- ii. All Assets and property, wherever situated, including in possession of third parties, whether movable or immovable, leasehold or freehold, tangible or intangible including but not limited to any and all rights, title and interest in connection with any land (together with the buildings and structures standing thereon), capital work-in-progress, plant and machinery, leasehold improvements, vehicles, furniture, fixture, office equipment, computer installations, software and related data, electrical appliance, accessories, investments: including investments in mutual funds made out of the surplus generated from the operations of "Realty Business Undertaking", stocks, stock in transit, wrapping supply and packaging items, debtors, intellectual properties, technical knowhow, patents, copy rights, licenses, approvals pertaining to or relatable to the operations of "Realty Business Undertaking" of the Demerged Company.
- iii. All debts and Liabilities, secured and unsecured, exclusively relating to the operations of "Realty Business undertaking" as per the records of the Demerged Company. including borrowings, contractual liabilities, guarantees, provisions and security deposits.
- iv. For the purpose of this Scheme, it is clarified that liabilities pertaining to the operations



of "Realty Business Undertaking" include:

- a. The liabilities which arise out of the activities of "Realty Business Undertaking" and,
 - b. Specific loans and/or borrowing raised, incurred and/or utilized solely for the activities of the "Realty Business Undertaking".
- v. All employees of the Demerged Company substantially engaged in the operations of "Realty Business Undertaking" and those employees that are determined by the Board of Directors of the Demerged Company to be substantially engaged in or in relation to the Demerged Undertaking on the date immediately preceding the Effective date.
- vi. All rights and licenses, membership, all assignments and grants thereof, all permits, registrations, quota, rights (including rights under any agreement, contracts, applications, letter of intent, or any other contract), subsidies, grants, tax credits including MAT Credit, incentives or scheme of central/state governments, quality certifications and approval, product registrations (both Indian or foreign), regulatory approvals, entitlements, industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies, if any, in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking either solely or jointly with other parties, cash balances, bank balances, bank account, deposits, advances, recoverable receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued on behalf of Demerged Company in relation to the operations of "Realty Business undertaking", funds belonging to or proposed to be utilized for the operations of "Realty Business Undertaking", privileges all other claims, rights and benefits (including under any powers of attorney issued by the Demerged Company in relation to the operations of "Realty Business Undertaking" or any power of attorney issued in favor of the Demerged Company or from or by virtue of any proceedings before a legal quasi judicial authority or any other statutory authority to which the Demerged Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail telephones, telexes, facsimile connections and installations, utilities, electricity. water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the operations of "Realty Business Undertaking"
- vii. All books and records, files, papers, computer programmes along with their licenses



manuals back-up, copies, drawing, other manuals, data catalogue, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customers pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the operations of "Realty Business Undertaking".

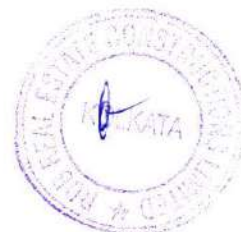
viii. All advances, deposits and balance with Government, semi-Government, Local and other authorities and bodies, customers and other person, earnest money and/or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the operations of "Realty Business Undertaking"; In case of any question that may arise as to whether any particular asset including common or does not pertain to the operations of "Really Business Undertaking" of the Demerged Company, the same shall be decided mutually by the Board of Directors of the Demerged Company and the Resulting Company and the said decision shall be final.

1.9 "Effective Date" shall mean later of the date on which the certified true copy of the order of Hon'ble National Company Law Tribunal, Kolkata Bench sanctioning this Scheme are filed with the Registrar of Companies, West Bengal, by the Demerged Company and the Resulting Company. References in this Scheme to the word "upon the Scheme becoming effective" or "effectiveness of this scheme" or "upon the Scheme coming into effect" shall mean Effective Date;

1.10 "Liability(s)" means liabilities of every kind, nature and description and includes secured loans, unsecured loans, borrowings, statutory liabilities, contractual liabilities and guarantees;

1.11 "LODR Regulations" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and includes all the amendments or statutory modifications thereto or re-enactments thereof;

1.12 "NCLT" means the Hon'ble National Company Law Tribunal, Kolkata Bench, and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of above mentioned Tribunal under the Act for approving any Scheme of Arrangement of a Company under Section 230 to 232 of the Act and other relevant provisions of the Act;



- 1.13 "Record Date" means the date to be fixed by the Board of Directors of the Resulting Company after the Effective Date, for the purpose of determining the shareholders of the Demerged Company for the purpose of issue and allotment Equity Shares of the Resulting Company in terms of this Scheme;
- 1.14 "Remaining Undertaking" means all the business assets and liabilities and activities of the Demerged Company, other than the business assets and liabilities of Demerged Undertaking, which upon this Scheme becoming effective, shall remain vested with the Resulting Company, as provided in this Scheme;
- 1.15 "Resulting Company" shall mean RDB REAL ESTATE CONSTRUCTIONS LIMITED, a Company incorporated under the Act and having its Registered Office at Bikaner Building, 8/1, Lal bazar Street, 1st Floor, Room No-11, Kolkata -700001, West Bengal. The CIN of the Resulting Company is U70200WB2018PLC227169.
- 1.16 "Scheme of Arrangement" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form including any modification(s) or amendments thereon, approved or imposed or directed by the SEBI and/or Hon'ble NCLT;
- 1.17 "SEBI circular" shall mean SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, dated 23rd November, 2021, on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, or any other circulars issued/ amended by SEBI applicable to schemes of arrangement from time to time;
- 1.18 "Stock Exchange" means the BSE Limited and Calcutta Stock exchange

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



2 SHARE CAPITAL

2.1 The authorized, subscribed and paid-up share capital of the **DEMERGED COMPANY** as on September 30th, 2022 was as under:

Particulars	Amount (in Rs.)
AUTHORISED SHARE CAPITAL	
2,30,00,000 Equity Shares of Rs. 10/- each	23,00,00,000/-
TOTAL	23,00,00,000/-
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
17283400 Equity Shares of Rs. 10/- each	17,28,34,000/-
TOTAL	17,28,34,000/-

2.2 The authorized, subscribed and paid-up share capital of the **RESULTING COMPANY** as on September 30th, 2022 was as under:

Particulars	Amount (in Rs.)
AUTHORISED SHARE CAPITAL	
32,50,000 Equity Shares of Rs. 10/- each	3,25,00,000/-
TOTAL	3,25,00,000/-
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
10,10,000** Equity Shares of Rs. 10/- each	10100000/-
TOTAL	10100000/-

NOTE**: The entire paid up share capital is held by the Demerged Company.

3. **DATE WHEN THIS SCHEME COMES INTO OPERATION**

The Scheme set out herein in its present form or with modification(s), approved or imposed or directed by the SEBI and / or Hon'ble NCLT, although effective from the Appointed Date, shall become operative from the Effective Date.

4. **COMPLIANCE WITH TAX LAWS**

This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date,



including resulting from amendment of law or for any other reason whatsoever, the provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will, however, not affect other parts of the Scheme. The power to make such modifications / amendments, as may become necessary, shall vest with the Board of Directors of the Demerged Company, which can exercise the power at any time and shall be exercised in the best interest of the Demerged Company and the Resulting Company.



PART B

TRANSFER AND VESTING OF REALTY BUSINESS UNDERTAKING (DEMERGED UNDERTAKING) OF RDB REALTY & INFRASTRUCTURE LIMITED (DEMERGED COMPANY) INTO RDB REAL ESTATE CONSTRUCTIONS LIMITED (RESULTING COMPANY)

5. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Act and pursuant to the Orders of the hon'ble NCLT or other Appropriate Authority or forum, if any, sanctioning the Scheme, without any further act, instruments, deed, matter or thing, the Demerged Undertaking shall stand demerged and transferred and be vested in the Resulting Company as a going concern, together with all its properties, assets, liabilities, obligations, rights, titles, benefits and interests therein.

6. TRANSFER OF ASSETS

Without prejudice to the generality of clause 5 above

6.1 Upon this Scheme becoming effective and with effect from the Appointed Date, any and all assets relating to the Demerged Undertaking, as are movable in nature or are otherwise capable of transfer by physical or constructive delivery, or by endorsement and acknowledgement of possession, pursuant to this Scheme, shall stand transferred and vested as such by the Demerged Company and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

6.2 Upon this Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in clause 6.1 above, including sundry debtors, outstanding loans and advances, financial assets, investments, and other current assets, if any recoverable in cash or in kind or for value to be received, Cash & bank balance and deposits, shall without any further act, instrument or deed, or without any intimation to any third party, be transferred to and vested in and/or be deemed to be transferred to and vested in and become the property of the



Resulting Company.

6.3 All immovable properties relating to the Demerged Undertaking, including land together with the buildings and structures standing thereon and rights and interests in immovable properties pertaining to the Demerged Undertaking, whether freehold or leasehold or otherwise and all documents of title rights and easements in relation thereto, shall be vested in and or be deemed to have been vested in the Resulting Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law without any further act or deed done or being required to be done by the Demerged Company and/or the Resulting Company, pursuant to the sanctioning of the scheme and upon the Scheme becoming effective. The Demerged Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties, upon the sanctioning of Scheme by the NCLT and the Scheme becoming effective. The relevant authorities shall grant all clearances/permissions, if any, required for enabling the Resulting Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognized as that of the Resulting Company and the more filing thereof with the appropriate registrar or sub-registrar or with the Appropriate Authority shall suffice as record of continuing titles with the Resulting Company and shall be constituted as a deemed mutation and substitution thereof;

6.4 Without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, pertaining to the Demerged Undertaking, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obliges thereto or thereunder, and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the promises subject to the forms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be Further, all the rights, interest and claims of the Demerged Company in any properties including leasehold/licensed proportions of the Demerged Company including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been



transferred to and vested in the Resulting Company automatically without requirement of any further act or deed, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law including without the requirement of payment of any transfer charges or any other charges. The Resulting Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Resulting Company shall continue to comply with the terms, conditions and covenants thereunder.

6.5 Upon this Scheme becoming effective and with effect from the Appointed Date, all assets, estate, right, title, interest, investments and properties acquired by the Demerged Company after the Appointed Date but prior to the Effective Date pertaining to the Demerged Undertaking, shall also, without any further act, instrument or deed, or without any intimation to any third party, be transferred to and vested in and/or be deemed to be transferred to and vested in and become the property of the Resulting Company.

6.6 Upon this Scheme becoming effective and with effect from the Appointed Date, any and all Intangible assets including Intellectual property rights, trade and service names and marks, brands, patents, copyrights licenses, marketing authorizations, approvals, any rights of commercial nature including those attached to goodwill, or any other rights or intangible assets of whatsoever nature, of the Demerged Company, relating to the Demerged Undertaking, whether or not recorded in the books of accounts of the Demerged Company, if any, shall without any further act, instrument or deed, or without any intimation to any third party, be transferred to and vested in and/or be deemed to be transferred to and vested in and become the property of the Resulting Company.

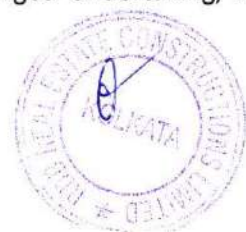
6.7 Upon this scheme becoming effective and with effect from the Appointed Date, the pasttrack record of the Demerged Company relating to the Demerged Undertaking, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes, including for the purposes of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

6.8 The transfer and vesting of movable and immovable properties as stated above, shall be subject to encumbrances, if any, affecting the same.



7. TRANSFER OF LIABILITIES AND RELATED SECURITIES/CHARGES:

- 7.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities and obligations, secured and unsecured, relating to the Demerged Undertaking (hereinafter referred to as "Transferred Liabilities") shall without any further act, instrument or deed, or without any intimation to any third party, be transferred to and/or be deemed to be transferred to and become the debts, liabilities of the Resulting Company. The Resulting Company shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company.
- 7.2 All the debts and liabilities, secured and unsecured relating to the Remaining Undertaking shall continue to be the debts and liabilities of the Demerged Company.
- 7.3 Upon this Scheme becoming effective and with effect from the Appointed Date, where any of the debts and liabilities of the Demerged Undertaking as on the Appointed Date, deemed to be transferred to the Resulting Company, have been met, discharged and/or satisfied by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge and/or satisfaction shall be deemed to have been taken for and on account of the Resulting Company.
- 7.4 All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall be deemed to have been raised, used and/or incurred, as the case may be, for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective date, shall also form part of the Transferred Liabilities defined herein above and, without any further act, instrument or deed, or without any intimation to any third party, be transferred to and/or be deemed to be transferred to and become the loans, liabilities and or obligations of the Resulting Company, which shall meet, discharge and satisfy the same.
- 7.5 Upon this Scheme becoming effective and with effect from the Appointed Date, in so far as the existing security in respect of the Transferred Liabilities of the Demerged Undertaking is concerned, such security shall continue to extend and operate over the assets comprised in the Demerged Undertaking, as the case may be, which have been charged in respect of the Transferred Liabilities, as transferred to the Resulting Company pursuant to this scheme Provided, however, that if any of the assets comprised in the Demerged Undertaking, which



have not been charged or secured in respect of the Transferred Liabilities, such assets shall be transferred to the Resulting Company as unencumbered assets and in the absence of any formal amendment, which may be required by a lender or third party, shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the Transferred Liabilities.

7.6 Without prejudice to the provisions of the foregoing sub-clause and upon the Scheme becoming effective, the Demerged Company and the Resulting Company, if required, may execute any instruments or documents or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions.

7.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities and the Demerged Company shall not have any obligations in respect of the Transferred Liabilities, and the Resulting Company shall indemnify the Demerged Company in this behalf, as may be necessary.

7.8 It is expressly provided that, save as mentioned in this clause, no other term(s) or condition(s) of the Transferred Liabilities is/are modified by virtue of this Scheme except to the extent that such amendment, if any, is required by necessary implications.

7.9 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, if approved by Hon'ble NCLT, notwithstanding anything to the contrary contained in any instruments, deeds or writings or the terms of sanction or issue or any security documents; all such instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions

8. TRANSFER OF CONTRACTS, AGREEMENTS, MOU's, PERMITS, QUOTAS AND LICENSES of DEMERGED UNDERTAKING

8.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all contracts, agreements, memoranda of agreements, memoranda of agreed points, letter of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, tenancy, leasehold or hire purchase agreements and other instruments of whatsoever



nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefits of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect, on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obliges thereto or thereunder.

8.2 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, power, facilities of every kind and description of whatsoever nature, leave and license agreements, trade mark, licenses, copyrights including application for registration of trademarks or copyrights, storage & warehousing agreements, commission agreements, lease agreements, hire purchase agreements, franchise agreements in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefits of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against Resulting Company as the case may be, and may be enforced as fully and effectually, as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obliges thereto or thereunder.

8.3 Upon coming into effect of this Scheme and with effect from the Appointed Date, any and all statutory licenses, no objection certificates, permissions, approvals, consents, quotas, rights, entitlements, trade mark licenses (including but not limited to registered trademarks) copyrights, including application for registration of trade mark licenses, copyrights, including those relating to privileges, power, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the Demerged Undertaking shall stand transferred to or vested in the Resulting Company without any further act or deed done by the Demerged Company and the Resulting Company, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company upon the vesting and transfer of the Demerged Undertaking pursuant to this Scheme.

8.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date, Any such statutory and regulatory no-objection certificate, licenses, permissions, consents, approvals, authorizations or registration, trade mark licenses (including but not limited to registered



trademark of "RDB") or copyrights, including application for registration of trade mark or copyrights as are jointly held for Demerged Undertaking and the Remaining Undertaking, including the statutory licenses, permissions or approvals, registration of trade mark under Trade Mark Act 1999 (including but not limited to registered trademark of "RDB"), Copyrights, Sales Tax / VAT, Goods & Service Tax, Service Tax, Shops and Establishment Act or consents required to carry on the operations in the Remaining Undertaking, shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorizations, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, pursuant to the filings of this Scheme as sanctioned by the Hon'ble NCLT with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in the Demerged Company without hindrance from the Appointed Date.'

8.5 The benefit of all statutory and regulatory permissions, licenses and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme becoming effective.

8.6 All contracts hitherto engaged by the Demerged Company in relation to the Demerged Undertaking upon the coming into effect of this Scheme and with effect from the Appointed Date, shall be deemed to be engaged by the Resulting Company for the same purpose on the same terms and conditions.

9. REMAINING UNDERTAKING

9.1 The Remaining Undertaking and all the assets, liabilities and obligations, pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Undertaking.

9.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal or any court of law) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter (including those relating to any property, right, power, liability, obligations or duties of the Demerged Company) shall be continued and enforced against the



Demerged Company.

10. EMPLOYEE MATTERS

- 10.1 On the Scheme of Arrangement taking effect as aforesaid, all officers and employees of the Demerged Company, engaged in the Demerged Undertaking, as identified by the Demerged Company and in employment on the Effective Date, shall become the officers and employees of the Resulting Company on such date as if they were in continuous service without any break or interruption in service and on same terms and conditions as to remuneration, subsisting with reference to the Demerged Company, as on the said date. All funds and benefits accumulated in respect of the above officers and employees shall also be transferred to the Resulting Company.
- 10.2 The Resulting Company agrees that the services of all such employees in with the Demerged Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits payable by the Resulting Company to such employees subsequently. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past service with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same, as and when payable.
- 10.3 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund or benefits created by the Demerged Company for the benefit of the employees related to the Demerged Undertaking (collectively referred to as the "Funds") are concerned, such Funds and the investments made by the Funds which are relatable to the employees related to the Demerged Undertaking being transferred to the Resulting Company in terms of clause 10.2 above, shall be transferred to the Resulting Company and shall be held for their benefit.
- 10.4 The Resulting Company in its sole discretion, will establish necessary funds to give effect to the above transfer or deposit the same in the Scheme governed under the applicable laws and rules made thereunder, as amended from time to time, namely Employees' Provident Fund and Miscellaneous Provisions Act 1952 and/or Employees State Insurance Act, 1948 and / or Payment of Gratuity Act, 1972. In the event the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue or contribute to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Funds and the



investments and contributions pertaining to the employees related to Demerged Undertaking shall be transferred to the funds created by the Resulting Company.

11. LEGAL PROCEEDING

11.1 If any suit, appeal or other proceedings of whatsoever nature (legal, taxation and other proceedings whether civil or criminal including before any statutory or quasi-judicial authority or tribunal or any court of law), unless exclusively related to the Demerged Undertaking, by or against the Demerged Company is pending or instituted thereafter, the same shall be continued, prosecuted and enforced, by or against the Demerged Company, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made.

11.2 In the event of any difference or difficulty on whether any specific legal or other proceedings related to the Demerged Undertaking or not, the decision of the Board of Directors of the Demerged Company and Resulting Company, as mutually agreed, in this regard shall be conclusive and binding on the Demerged Company and Resulting Company

12. TREATMENT OF TAXES

12.1 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes and duties (including but not limited to income tax, Goods and Services Tax, etc) paid or payable by Demerged Company, and relating to the operations of the Demerged Undertaking, including all advance tax payments, tax deducted at source, credits for minimum alternate tax, shall, for all purposes, be treated as tax, duty or GST liability, advance tax payments, tax deducted at source, credits for minimum alternate tax, as the case may be, of the Resulting Company.

12.2 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall be permitted to revise from the Appointed Date, their respective financial statements and returns along with prescribed forms, things and annexures under the Income-tax Act, 1961 (including the revisions permitted under section 170A of the Income Tax Act, 1961), Goods and Services Tax Laws, Customs Law and other tax laws, and to claim refunds and/or credit for taxes paid (including minimum alternate tax, tax deducted at source, etc) and for matters incidental thereto if required to give effect to the provisions of the Scheme and to claim



refunds/ credits, pursuant to provisions of its scheme.

- 12.3 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company would undertake appropriate filings under the Goods and Services Tax Rules, to facilitate claim of refunds and/or transfer of credit for taxes paid and for matters incidental thereto in relation to the Demerged Undertaking, available with the Demerged Company.
- 12.4 All disallowances under section 43B of the Income-tax Act, 1961, in the hands of Demerged Company, in relation and pertaining to the Demerged Undertaking, shall be claimed as a deduction under section 438 of the Income-tax Act, 1961 by the Resulting Company when the payment is made by the Resulting Company against such expenses.
- 12.5 Any refunds or credits (including credits for minimum alternate tax, advance tax and tax deducted at source under the provisions of Income-tax Act, 1961), benefit or carry forward losses and other statutory benefits under the Income-tax Act, 1961, Service Tax laws, Central Sales Tax, Goods and Services Tax, applicable State Value Added Tax Laws or other applicable laws/ regulations dealing with taxes /duties/ levies, due to the Demerged Company, relating to Demerged Undertaking, including refunds, benefits or credits consequent to the assessment made on Demerged Company (including any refund for which no credit is taken in the accounts of the Demerged Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company upon this Scheme becoming effective.
- 12.6 Further, any tax deducted at source by Demerged Company with respect to Demerged Undertaking on transactions with the Resulting Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly and vice versa.
- 12.7 Upon the Scheme coming into effect, any obligation of tax deduction at source on any payment made by or to be made by the Demerged Company relating to Demerged Undertaking shall be made or deemed to have been made and duly complied with by the Resulting Company

13. OTHER PROVISIONS

- 13.1 The Demerged Company and the Resulting Company may, after the Scheme becomes effective for the sake of good order, execute amended and re-stated arrangements or confirmations or



other writings, required, for the ease of the Demerged Company, the Resulting Company and the counter party concerned in relation to the Remaining Business and/or the Demerged Undertaking, without any obligations to do so and without modification of any commercial terms or provisions in relation thereto.

13.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with the Resulting Company and relating to the Demerged Undertaking. The Demerged Company and the Resulting Company are jointly and severally authorised to file such declarations and other writings to give effect to this Scheme and to remove any difficulties in implementing the terms thereof.

14. CONDUCT OF BUSINESS

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

- (a) The Demerged Company undertakes to carry on and shall be deemed to carry on all business and activities relating to the Demerged Undertaking for and on account of and in trust for the Resulting Company.
- (b) All income, expenditures including management costs, profits accruing to the Demerged Company and all taxes thereof or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the income, expenditure, profits or losses, as the case may be, of the Resulting Company.
- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Company and exercised by or available to the Demerged Company, in relation to the Demerged Undertaking shall be deemed to have been exercised by the Demerged Company for and on behalf of and as an agent for the Resulting Company. Similarly, any of the obligations and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for the Resulting Company.

14.2 With effect from the Effective Date, the Resulting Company shall be duly authorised to carry on the business of the Demerged Undertaking previously carried on by the Demerged Company the Resulting Company agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give



effect to the foregoing provisions

14.3 To avoid any undue hardship to the Demerged Company or the Resulting Company on account of disruption of business post the Effective Date, the Resulting Company shall be entitled to use all the business authorizations, including licenses, contracts etc., having the name of the Demerged Company in connection with the Demerged Undertaking, till such authorizations are issued afresh/transferred/renewed in the name of the Resulting Company.

14.4 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company pertaining to the Demerged Undertaking, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.

15. SAVING OF CONCLUDED TRANSACTIONS

15.1 The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking shall not in any manner affect any transaction or proceedings, contracts or deeds already concluded by the Demerged Company (in respect of the Demerged Undertaking) on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all such acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

16. ISSUE OF EQUITY SHARES BY THE RESULTING COMPANY

16.1 Upon coming into effect of the Scheme and in consideration of transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application, act, instrument or deed and without any further payment, issue and allot equity shares to those equity shareholders of the Demerged Company whose names appear in



the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, in the following manner-

"1(one) fully paid-up equity shares of INR 10/- each of the Resulting Company, for every 1 (one) fully paid-up equity shares of INR 10/- each in the Demerged Company"

16.2 The equity shares of the Resulting Company shall be issued in such a manner that the percentage of shareholding of the equity shareholders of the Demerged Company in the Resulting Company, after giving effect to cancellation of equity shares of the Resulting Company held by the Demerged Company and its nominees, is exactly same or mirror as their inter-se shareholding in the Demerged.

16.3 The equity shares of the Resulting Company will be issued to the shareholders of the Demerged Company in dematerialized form, to the account, in which the shares of the Demerged Company are held by them or such other account, as may be intimated by the shareholders of the Demerged Company to the Demerged Company or the Resulting Company in writing before the Record Date. All the shareholders of the Demerged Company who hold shares in physical form shall also have the option to receive the equity shares of the Resulting Company in dematerialized form, provided the details of their account with the Depository Participant are intimated to the Demerged Company or the Resulting Company in writing before the Record Date. For the shareholders who fail to provide such information, shall be issued equity shares in physical form. Notwithstanding the above, if as per Applicable laws, the Resulting Company is not permitted to issue and allot the new equity shares in physical form and it has still not received the demat account details of such shareholders of the Demerged Company, the Resulting Company shall issue and allot such equity shares, in lieu of the share entitlement of the shareholders of the Demerged Company, into the Demat Suspense Account, which shall be operated by one of the directors of the Resulting Company, authorized in this regard. Subsequently, on receipt of the appropriate evidence from the shareholders as to their entitlements, the Board of Directors will transfer such shares from the Demat Suspense Account to the individual demat account of such claimant shareholders.

16.4 The new equity shares to be issued and allotted in terms of this Scheme will be subject to the provisions of Memorandum and Articles of Association of the Resulting Company. The said equity shares of the Resulting Company to be issued to the eligible shareholders of the



Demerged Company pursuant to the clause 16.1 above shall rank pari-passu in all respects with the existing equity shares of the Resulting Company.

16.5 In the event of there being any pending and valid shares transfers, whether lodged or outstanding of any members of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Appointed Date or the Effective Date, as the case may be, to effectuate such a transfer in the demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor/transferee of the shares of the Demerged Company and in relation to the shares issued by the Resulting Company upon the effectiveness of this Scheme.

16.6 The issue and allotment of equity shares to the members of the Demerged Company as provided in this Scheme, is an integral part thereof and shall be deemed to be made in compliance with the procedure laid down under Section 62 and other applicable provisions of the Act and no separate approvals/procedures etc., are required to be carried out under the Act. The approval of the members for the Scheme shall be deemed to be approval under Section 62 and other applicable provisions, if any, of the Act.

16.7 The Resulting Company, shall increase its Authorised Share Capital to the extent required to accommodate the shares to be allotted as per clause 16.1 above. The fees payable by the Resulting Company shall be duly paid in accordance with law upon the sanctioning of the Scheme.

16.8 The Resulting Company shall apply to the BSE and the CSE for listing and admission to trading, of all the equity shares issued under this Scheme, in terms of the provisions of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, dated 23rd November, 2021, as amended from time to time or any other provisions applicable to it. Further, the Resulting Company and the Demerged Company shall enter into such arrangements, complete such formalities and give such confirmations and/or undertakings to the BSE, the CSE and any other Appropriate Authority as may be necessary in accordance with the Applicable Laws for the listing of equity shares of the Resulting Company issued in pursuance of this Scheme.

16.9 The equity shares allotted pursuant to the Scheme shall remain frozen in the depository system



till listing/trading permission is given by the designated stock exchange to the BSE & the CSE.

16.10 There shall be no Change in the shareholding pattern of the Resulting Company between the Record Date and the listing date, which may affect the status of approval of the stock exchanges to the Scheme.

16.11 Equity shares of the Resulting Company issued in lieu of locked-in shares equity shares, if any, of the Demerged Company, will be subject to the same lock-in requirement for the remaining period, as the shares of Demerged Company. However, additional lock-in requirements in terms of the provisions of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, dated 23rd November, 2021, as amended from time to time shall not apply in relation to equity shares issued by the Resulting Company in pursuance of this Scheme, since the post-scheme shareholding pattern of the Resulting Company shall be exactly similar to the shareholding pattern of the Demerged Company.

17. ACCOUNTING TREATMENT

17.1 Treatment in the books of the Demerged Company

The Demerged Company shall account for demerger of Demerged Undertaking, in its books as per the applicable accounting principles prescribed under the relevant Ind-AS. It shall inter alia include the following:

17.1.1 The Demerged Company shall in its books of accounts, reduce the respective carrying values of the assets and liabilities of the Demerged Undertaking being transferred to and vested in the Resulting Company at values appearing in Books of Accounts of the Demerged Company as on the Appointed Date.

17.1.2 The aggregate of the net assets (i.e difference between the carrying value of assets and liabilities related to Demerged Undertaking) standing in the books of accounts of the Demerged Company transferred to the Resulting Company on the Appointed Date, shall be adjusted against the balances in General Reserve, Securities Premium Reserve and balance if any left shall be adjusted against Retained Earnings.

17.1.3 The reduction in Securities Premium of the Demerged Company shall be effected as an integral part of this Scheme in accordance with the provisions of Section 52 and Section 66 of the Act and the order of the Hon'ble NCLT sanctioning this Scheme shall be



deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction.

17.2 Treatment in the books of the Resulting Company

The Resulting Company shall account for the demerger of Demerged Undertaking, using pooling of Interest method in accordance with Appendix C 'Business Combinations of entities under common control' of Ind-AS 103-Business Combinations. It shall inter alia include the following:

- 17.2.1 The Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective carrying values appearing in the books of accounts of the Demerged Company as on the Appointed Date, which are set forth in the closing balance sheet of the Demerged Company as of the close of business hours on the date immediately preceding the Appointed Date.
- 17.2.2 The Resulting Company shall credit its share capital account, with the aggregate face value of the new Equity shares issued to the shareholders of the Demerged Company pursuant to demerger of Demerged Undertaking.
- 17.2.3 To the extent there are inter-company balances and transactions between the Resulting Company and the Demerged Undertaking, if any, the rights and obligations in respect thereof will stand cancelled.
- 17.2.4 The difference between the book value of assets and book value of liabilities so recorded in the books of Resulting Company in accordance with clause 17.2.1 as reduced by the amount credited as share capital in accordance with clause 17.2.2, shall be recorded against the following reserve (in the proportion in which the said Reserves shall be adjusted in the books of Demerged Company in accordance with clause 17.1.2 above) viz. against the balances in General Reserve, Securities Premium Reserve and Retained Earnings.
- 17.2.5 The book value of investments in the shares of Resulting Company as appearing in the Demerged Undertaking shall be transferred to and be debited/credited against Capital Reserve Account.
- 17.2.6 The Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares and credit capital reserve for the same amount.
- 17.2.7 In case of any differences in accounting policy followed by the Demerged Company in respect of Demerged Undertaking vis-à-vis the accounting policy followed by the



Resulting Company, the impact of the same till the Appointed Date will be quantified and adjusted in Reserves of the Resulting Company, to ensure that upon coming into effect of this Scheme, the financial statements of the Resulting Company reflect the financial position on the basis of a consistent accounting policy.



PART C

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

18. **REDUCTION AND CANCELLATION OF ENTIRE PRE-SCHEME SHARE CAPITAL OF THE RESULTING COMPANY**
- 18.1 Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company ("Resulting Company Cancelled Shares") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme.
- 18.2 As referred to in clause 17.2.6, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares and credit capital reserve for the same amount.
- 18.3 It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.
- 18.4 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.



PART D

GENERAL TERMS & CONDITIONS APPLICABLE TO THIS SCHEME

19 APPLICATION/PETITIONS TO THE HON'BLE NCLT AND APPROVALS

19.1 The Demerged Company and the Resulting Company shall make the requisite joint company applications/petitions under Sections 230 to 232 of the Act, and other applicable provisions of the Act to the Hon'ble NCLT, as applicable, for seeking the sanctioning of this Scheme.

19.2 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority and all agencies, departments and Appropriate Authorities concerned, as are necessary under any law, for such consents, approvals and sanctions which the Resulting Company may require to own and operate the Demerged Undertaking.

20 DIVIDENDS

20.1 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Demerged Company and the Resulting Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date to be fixed by Board of Directors for the purpose of any such dividend.

20.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any equity shareholder of the Demerged Company or Resulting Company to deem or claim any dividends, which subject to the applicable provisions of the Act, shall be entirely at the discretion of the Board of Directors.



21 MODIFICATIONS OR AMENDMENTS TO THE SCHEME

21.1 The Demerged Company and the Resulting Company by their respective Board of Directors so nominated in that behalf, may assent to any modification or amendment to this Scheme or to any conditions or limitations that the SEBI / Hon'ble NCLT and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the scheme in the best Interest of all stakeholders. All amendments/modifications pursuant to this clause shall be subject to approval of the SEBI/Hon'ble NCLT or any other authorities, as required under Applicable Law.

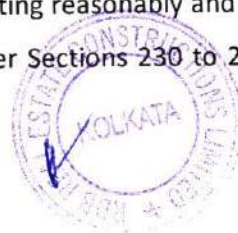
21.2 Subject to the approval of the SEBI / Hon'ble NCLT or such other person or persons, as their respective Board of Directors may authorize, including any committee or sub-committee thereof, are hereby empowered and authorized to assent from time to time to any modifications or amendments or conditions or limitations which the SEBI/Hon'ble NCLT or any other Government Authority, as required by Applicable Law, may deem fit to impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things as may be necessary for putting the Scheme into effect.

22 GENERAL TERMS AND CONDCTIONS

22.1 Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Demerged Company and the Resulting Company, they shall apply to the Hon'ble NCLT for sanction of this Scheme under Sections 230 to 232 read with other applicable provisions of the Act for such Order or Orders, as the said Hon'ble NCLT may deem fit for bringing this Scheme into effect.

22.2 The Scheme is and shall be conditional upon and subject to:

- a) The Scheme being approved by the respective requisite majorities in value of such class of person including members and/or Creditors, of the Demerged Company and the Resulting Company and requisite Order or Orders being obtained.
- b) Receipt of no-objection letter by the Demerged Company from the Stock Exchange and comment letter from SEBI in accordance with the SEBI Circular and LODR Regulations in respect of the Scheme (prior to filing the Scheme with the NCLT), which shall be in form and substance acceptable to the Demerged Company, acting reasonably and in good faith; The sanctions of the Hon'ble NCLT being obtained, under Sections 230 to 232 of the Act



and other applicable provisions, if any, of the Act in favour of Demerged Company and Resulting Company and certified true copies of the Order sanctioning the Scheme passed by the Hon'ble NCLT under section 232 being filed with the Registrar of Companies, West Bengal and all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

- c) In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own cost or as may be mutually agreed.

23 SEVERABILITY

23.1 Any failure of any provision(s) of this Scheme for lack of necessary approval from the members/creditors/Appropriate Authorities or for any other reason that the Board of Directors may deem fit shall not result in the whole scheme failing. If any clause of this Scheme is ruled invalid or illegal by any court of competent jurisdiction, or unenforceable under present or future laws, the same shall not, subject to the decision of the Demerged Company and Resulting Company, affect the validity or Implementation of the other provision(s) of this Scheme. It shall be open to the Board of Directors concerned to consent to sever such provision(s) of the Scheme and implement the rest of the Scheme with such modification.

24 EFFECT OF NON-RECEIPT OF APPROVALS

24.1 In the event of any of the said sanctions and approvals referred to in the preceding clauses not being obtained and/or the Scheme not being sanctioned by the Hon'ble NCLT or such other competent authority within such further period or periods as may be agreed upon between the Demerged Company and Resulting Company through their respective Board of Directors (and which the Board of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.



25 REVOCATION OF THE SCHEME

25.1 The Demerged Company and the Resulting Company, through their respective Board of Directors are empowered and authorized to withdraw this scheme prior to the Effective Date at any time and the same shall not be construed as any non-compliance of the Act.

25.2 In the event that any conditions are imposed by the SEBI/Hon'ble NCLT or any authorities, which the Board of Directors of the Demerged Company and the Resulting Company find unacceptable for any reason, the Demerged Company and the Resulting Company shall be at liberty to withdraw this Scheme.

26 COSTS

26.1 All costs, Charges, taxes (including the stamp duty, if any, applicable in relation to this scheme), levies and all other expense, if any (save as expressly otherwise agreed) including stamp duty and registration fee etc. on any deed, documents, instruments or Hon'ble NCLT's Order arising out of and in carrying out and implementing this Scheme and matters incidental to the completion of arrangement of the said Scheme of Arrangement shall be borne and paid by Resulting Company and the Demerged Company, as mutually agreed upon.

27 SEQUENCE OF COMING INTO EFFECT OF THIS SCHEME

27.1 On the sanction of the Scheme and upon the Scheme becoming effective, the following shall be deemed to become effective and operative in the sequence and order mentioned hereunder:

- a) Demerger of the Demerged Undertaking from Demerged Company to Resulting Company;
- b) Issue and allotment of equity shares of Resulting Company to the shareholders of the Demerged Company in consideration of Demerger as aforesaid;

28 MISCELLANEOUS

28.1 The Scheme does not contain or provide for any compromise with the creditors of the Demerged Company and the Resulting Company. Further, the Scheme has not been drawn to accommodate any corporate debt restructuring. The Scheme also does not come under the purview of the Competition Commission of India.

