



and assist in standardization of its business processes.

2. The proposed restructuring pursuant to the Scheme is expected, *inter alia*, to result in following benefits:
 - (i) consolidating similar businesses having similar risk and return profiles to enhance operational synergies
 - (ii) effective utilization of warehouse and office spaces by consolidating businesses;
 - (iii) onboarding brands in e-B2B business and giving access to new age consumer-first brands to Pan India market (including tier 2 & 3 cities);
 - (iv) Optimization in technology and overhead costs;
 - (v) effectively utilising cash flows of different businesses and limiting restrictions arising out of different terms of different lenders for different businesses;
 - (vi) enabling focused growth strategy for each of the businesses for exploiting opportunities specific to each business;
 - (vii) creating greater visibility on performance of each of the businesses; and
 - (viii) enhancing operational efficiency.
3. The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Parties.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

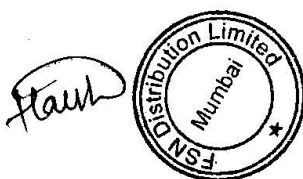
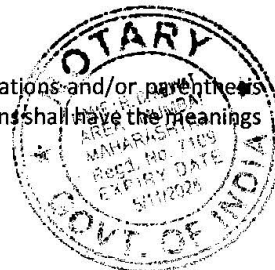
1. **PART I** deals with the definitions, share capital of the Parties, date of taking effect and implementation of this Scheme;
2. **PART II** deals with the transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a *going concern basis*; and
3. **PART III** deals with the general terms and conditions applicable to this Scheme.

**PART I
DEFINITIONS, SHARE CAPITAL OF THE PARTIES, DATE OF
TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME**

1. DEFINITIONS

- 1.1 In this Scheme, (a) capitalised terms defined by inclusion in quotations and/or parentheses shall have the meanings so ascribed; and (b) the following expressions shall have the meanings ascribed hereunder:

“Act” means the Companies Act, 2013;



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"Applicable Law" or **"Law"** means any applicable national, foreign, provincial, local or other law including 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; (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;

"Appointed Date" means the opening business hours of 1 April 2024 or such other date as may be mutually agreed by the respective Board of the Parties or as may be directed by the Appropriate Authority;

"Appropriate Authority" means:

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunals, central bank, commission or other authority thereof;
- (b) any governmental, quasi-governmental or private body, self regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, clearing corporations, and the Tribunal.

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

"Demerged Company" means FSN Distribution Limited, a company incorporated under the provisions of the Act and having its corporate identity number U51909MH2021PLC364942 and registered office at 104, Vasan Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel, Mumbai 400013, Maharashtra, India;

"Demerged Undertaking" shall mean entire activities, business, operations and undertaking of the Demerged Company forming part of the e-B2B Business which means and includes "Superstore by Nykaa" which is a tech led distribution business, focused on beauty and personal care products, as on the Appointed Date, and shall include (without limitation):

- (a) all the movable and immovable properties, tangible or intangible, including all computers and accessories, software, applications and related data, furniture and fixtures vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold/leasehold rights, brands, sub-letting tenancy rights, rights as lessee, leave and license permissions, goodwill, customer relationships and other intangibles, licenses, approvals, Permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the

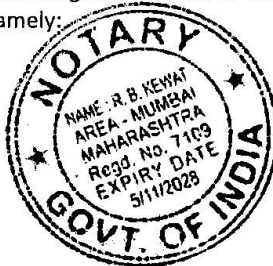
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above, assignments and grants in respect thereof, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/ or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to and pertaining to the e-B2B Business;

- (b) all receivables, loans and advances, including accrued interest thereon, all advance payments, reward points, earnest monies and/ or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company in relation to and pertaining to the e-B2B Business;
- (c) all contracts, agreements, declarations, statements, purchase orders/ service orders, agreement with customers, purchase and other agreements with the supplier/ service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and clearances and other instruments of whatsoever nature and description including all client registration forms/ KYC (know your customer) records/ POAs (power of attorney) issued by clients, client records, authorisations, client details, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the e-B2B Business;
- (d) all other rights including sales tax deferrals and exemptions and other benefits, the input credit balances (including, State Goods & Service Tax ("SGST"), Integrated Goods and Services Tax ("IGST") and Central Goods and Service Tax ("CGST") credits) under the goods and service tax laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law, duty drawback claims, rebate receivables, refund and advance, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/ incentives/ exemptions given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute) receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the e-B2B Business, whether or not so recorded in the books of the Demerged Company;
- (e) all Tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including minimum alternate tax paid under section 115JA/ 115JB of the Income Tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income Tax Act or any other Taxation statute enjoyed by the Demerged Company pertaining to the e-B2B Business;
- (f) all liabilities until the Scheme becoming effective, corporate guarantees issued and the contingent liabilities pertaining or relatable to the e-B2B Business ("**Demerged Undertaking Liabilities**"), namely:



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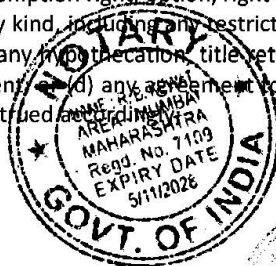
- a. the debts of the Demerged Company which arises out of the activities or operations of the e-B2B Business;
 - b. specific loans and borrowings raised, incurred and utilised by the Demerged Company for the activities or operations of or pertaining to the e-B2B Business; and
 - c. general or multipurpose borrowings, if any, of the Demerged Company will be apportioned basis the proportion of the value of the assets transferred as part of e-B2B Business to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.
- (g) all Permits, licences, approvals, registrations, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to its e-B2B Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the e-B2B Business;
 - (h) any and all memberships and registrations of the Demerged Company in relation to and pertaining to the e-B2B Business;
 - (i) entire experience, credentials, past record and market share of the Demerged Company pertaining to the e-B2B Business;
 - (j) all books, records, files, papers, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, pertaining to the e-B2B Business of the Demerged Company; and
 - (k) all employees of the Demerged Company engaged in the e-B2B Business.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and Resulting Company.

"e-B2B Business" means and includes "Superstore by Nykaa" which is a tech led distribution business, focused on beauty and personal care products.

"Effective Date" means the opening hours of the first day of the month immediately succeeding the month in which the Tribunal sanctions the Scheme. Reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"effect of this Scheme"** or **"upon the Scheme becoming effective"** shall mean the Effective Date;

"Encumbrance" means (a) 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; (b) 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, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; and (d) any agreement to create any of the above; and the term **"Encumber"** shall be construed accordingly.



"Income Tax Act" means the Income-tax Act, 1961;

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

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

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

"Person" means an individual, 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;

"Remaining Business of Demerged Company" means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than those forming part of the Demerged Undertaking;

"Resulting Company" means Nykaa E-Retail Limited, a company incorporated under the provisions of the Act, under the corporate identity number U74999MH2017PLC291558 and having its registered office at 104, Vasan Udyog Bhavan, S Bapat Road, Lower Parel, Mumbai 400013, Maharashtra, India;

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

"Scheme" or **"this Scheme"** means this scheme of arrangement, as may be modified;

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

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

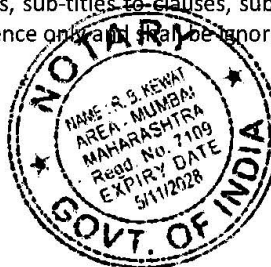
"Tribunal" means the jurisdictional bench of the National Company Law Tribunal having jurisdiction over the Parties.

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;

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- 1.2.3 the words "include" and "including" are to be construed without limitation;
- 1.2.4 all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, or any other applicable laws, rules, regulations, bye laws, as the case may be including any statutory modification or re-enactment thereof from time to time;
- 1.2.5 any Person includes that Person's legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be; and
- 1.2.6 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder.

2. SHARE CAPITAL

- 2.1 The share capital structure of Demerged Company as on the date of its Board approving the Scheme is as follows:

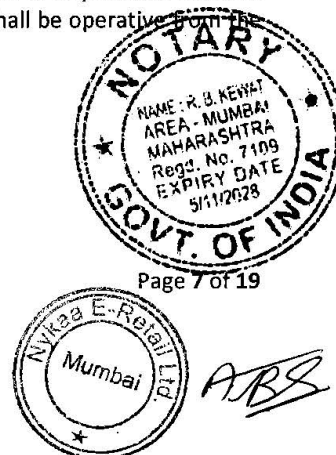
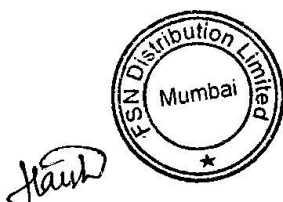
Particulars	Amount (in INR)
Authorized Share Capital	
1,50,000 equity shares of INR 10 each fully paid up	15,00,000
TOTAL	15,00,000
Issued, subscribed and paid-up share capital	
10,000 equity shares of INR 10 each fully paid up	1,00,000
TOTAL	1,00,000

- 2.2 The share capital structure of the Resulting Company as on the date of its Board approving the Scheme is as follows:

Particulars	Amount (in INR)
Authorized share capital	
1,20,00,000 equity shares of INR 10 each fully paid up	12,00,00,000
TOTAL	12,00,00,000
Issued, subscribed and paid-up share capital	
95,10,000 equity shares of INR 10 each fully paid up	9,51,00,000
TOTAL	9,51,00,000

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme as set out herein in its present form or with any modification(s) and amendment(s) made as per Clause 17 of this Scheme duly approved or imposed or directed by the Tribunal shall become effective from Appointed Date but shall be operative from the Effective Date.



PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

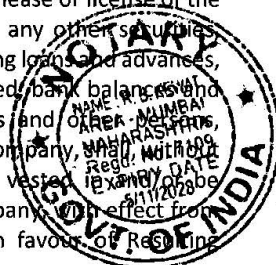
- 4.1 Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of 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 and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided for in this Scheme.

The demerger proposed under the Scheme complies with the definition of "demerger" under Section 2 (19AA) and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with the provisions of the Income Tax Act, then this Scheme shall be modified by the Board to be in compliance with Section 2 (19AA) of the Income Tax Act.

- 4.2 Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities forming part of the Demerged Undertaking under this Scheme, is as follows:

- 4.2.1 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, machinery, equipment, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, 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 and/or delivery, the same shall stand transferred by the Demerged Company to the Resulting Company upon coming into effect of this Scheme 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 transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

- 4.2.2 Subject to Clause 4.2.3 below, with respect to the assets of the Demerged Undertaking, other than those referred to in Clause 4.2.1 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, shall, without any further act, instrument or deed, be transferred to and vested in 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



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Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

- 4.2.3 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;
- 4.2.4 Upon effectiveness of the Scheme, the Demerged Undertaking Liabilities of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date and the Resulting Company shall meet, discharge and satisfy the same.;

However, the tax liabilities and tax demands or refunds received or to be received by the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Undertaking shall not be transferred to the Resulting Company;

- 4.2.5 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;
- 4.2.6 Unless otherwise agreed to between 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, debentures, 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;
- 4.2.7 In so far as any Encumbrance in respect of Demerged Undertaking Liabilities 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 on the assets of the Resulting Company. For the avoidance of doubt, it is hereby declared that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the Demerged Undertaking Liabilities, without any further act, instrument or deed being required, shall be released.

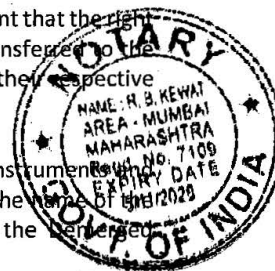
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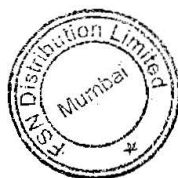
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and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which 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;

- 4.2.8 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;
- 4.2.9 If the Demerged Company is entitled to any unutilized credits (including unutilised credits, losses and unabsorbed depreciation), balances or advances, benefits under the incentive schemes and policies including tax holiday or concessions relating to the Demerged Undertaking under any Tax Laws or Applicable Law(s), the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission;
- 4.2.10 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective 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 Demerged Company and the Resulting Company are 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, and claiming other tax benefits including tax unabsorbed depreciation, tax losses and all permissible deductions 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. 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;
- 4.2.11 Subject to Clause 4 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 the respective books to record the aforesaid changes;
- 4.2.12 On and from the Effective Date, all cheques and other negotiable instruments, 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



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Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company;

4.2.13 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of 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 Demerged Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever;

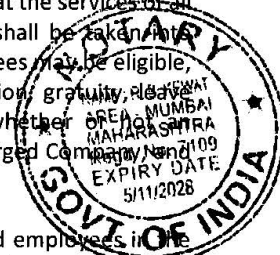
4.2.14 Contracts, deeds, bonds, agreements, schemes, arrangements in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to and vested in the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Demerged Company and 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; and

4.3 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. Any procedural requirements required to be fulfilled solely by the Demerged Company or upon the Scheme becoming effective, shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. 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.

5. EMPLOYEES

5.1 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, gratuity, provident fund encashments 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.

5.2 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,



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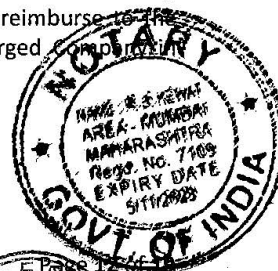
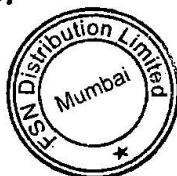
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as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance 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. LEGAL PROCEEDINGS

- 6.1 All suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings with respect to Income Tax Act) 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.
- 6.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings with respect to Income Tax Act) initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. The concerned Parties shall make relevant applications and take all steps as may be required in this regard.
- 6.3 Further, without prejudice to the aforesaid, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income Tax Act), 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.

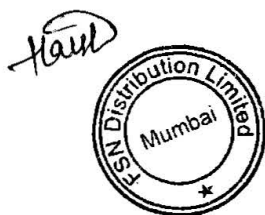
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7. CONSIDERATION

- 7.1 Upon the Scheme coming into effect and in consideration of the demerger of the Demerged Undertaking 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 each shareholder 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 Effective Date, as under:
- 1 (One) fully paid-up equity share of INR 10 (Indian Rupees Ten only) each of the Resulting Company ("**Resulting Company New Equity Shares**"), credited as fully paid up, for every 1 (One) equity share of INR 10 (Indian Rupees Ten only) each of the Demerged Company.
- 7.2 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of 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.
- 7.3 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 Law 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.
- 7.4 Subject to Applicable Law, 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 Law 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.
- 7.5 In the event, the Demerged Company and/or the Resulting Company restructure their equity share capital by way of share split/ consolidation/ issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, per Clause 7.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 7.6 The Resulting Company shall, to the extent required, increase its authorized share capital in order to issue Resulting Company New Equity Shares, as per with the applicable provisions of the Act, prior to allotment of Resulting Company New Equity Shares.



8. ACCOUNTING TREATMENT

8.1 Accounting treatment in the books of the Demerged Company:

Notwithstanding anything else contained in the Scheme, the Demerged Company shall account for the demerger of Demerged Undertaking in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, in its books of accounts, such that:

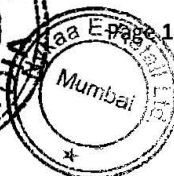
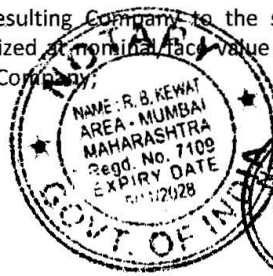
- 8.1.1 All the assets and the liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company transferred to and vested in the Resulting Company pursuant to the Scheme shall be reduced from the respective book value of assets and liabilities of the Demerged Company;
- 8.1.2 The difference, if any, between the book value of the assets of the Demerged Undertakings of the Demerged Company transferred to the Resulting Company less the book value of the liabilities of the Demerged Undertakings of the Demerged Company transferred to the Resulting Company shall be recognised in Retained Earnings. If the difference is the excess of liabilities over assets, i.e., net liabilities transferred, then the same will be recorded in the Capital Reserve;
- 8.1.3 For accounting purpose, the Scheme will be given effect from the Effective Date and such entries will be recorded on later of Effective Date or the date when all substantial conditions for the transfer of Demerged Undertaking are completed; and
- 8.1.4 Any matter not dealt with in Clauses hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

8.2 Accounting treatment in the books of the Resulting Company:

Notwithstanding anything else contained in the Scheme, the Resulting Company shall account for demerger of Demerged Undertaking of the Demerged Company in to Resulting Company in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standard ("Ind AS") 103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

- 8.2.1 The Resulting Company shall record the assets and liabilities, if any, of the Demerged Undertaking of the Demerged Company vested in it pursuant to this scheme, at their carrying values;
- 8.2.2 Pursuant to the demerger of Demerged Undertaking of the Demerged Company with the Resulting Company, the inter-Company balances between the Resulting Company and the Demerged Undertaking of the Demerged Company, shall stand cancelled;
- 8.2.3 The consideration issued by the Resulting Company to the shareholders of the Demerged Company shall be recognized at nominal face value and credited to the Equity Share Capital of the Resulting Company;

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- 8.2.4 The surplus/deficit, if any arising after taking the effect of clause 8.2.1, 8.2.3. and after adjustment of clause 8.2.2 shall be transferred to Capital Reserve in the financial statements of the Resulting Company and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes;
- 8.2.5 In case of any difference in accounting policy between the Demerged Undertaking of the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies;
- 8.2.6 Comparative financial information in the financial statements of the Resulting Company shall be restated for the accounting impact of the demerger, as stated above as if the Demerger had occurred from the beginning of the comparative period. However, if common control over the Demerged and resulting companies came into existence after that date, the prior period information shall be restated only from the date of the common control;
- 8.2.7 For accounting purpose, the Scheme will be given effect from the Effective Date and such entries will be recorded on later of Effective Date or the date when all substantial conditions for the transfer of Demerged Undertaking are completed; and
- 8.2.8 Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS and generally accepted accounting principles.

9. SAVING OF CONCLUDED TRANSACTIONS

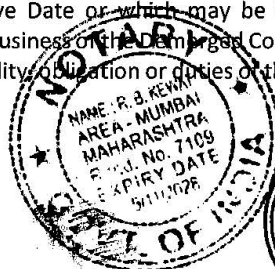
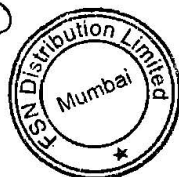
- 9.1 Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by Demerged Company (with respect to the Demerged Undertaking), until the Appointed Date, to the end and intent that the Resulting Company, shall accept and adopt all acts, deeds and things done and executed by Demerged Company (with respect to the Demerged Undertaking) in respect thereto as done and executed on behalf of the Resulting Company.

PART III GENERAL TERMS & CONDITIONS

10. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 10.1 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 shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 10.2 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

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in respect of the Remaining Business of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting 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.

- 10.3 If the Resulting 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 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 with the Demerged Company. However, if the Resulting 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 against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

11. VALIDITY OF EXISTING RESOLUTIONS, ETC.

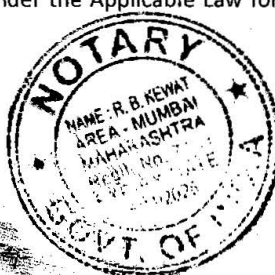
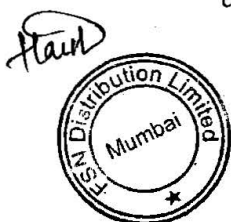
- 11.1 Upon coming into effect of this Scheme, the resolutions and power of attorney of/ executed by the Demerged Company, as are considered necessary by the Board of the Resulting Company, pertaining to the Demerged Undertaking, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company, 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 Resulting Company shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

12. DIVIDENDS

- 12.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.
- 12.2 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.

13. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

- 13.1 With effect from the date of approval of this Scheme by the respective Boards of the Parties and up to and including the Effective Date:
- 13.1.1 The Demerged Company shall, with respect to the Demerged Undertaking, carry on its businesses with reasonable diligence and business prudence and in the same manner as the Demerged Company had been doing hitherto; and
- 13.1.2 The Demerged Company shall, 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 the Applicable Law for such consents, approvals and



sanctions which the Resulting Company may require to carry on the relevant business of the Demerged Company and to give effect to the Scheme.

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

13.2.1 The Demerged Company with respect to the Demerged Undertaking 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;

13.2.2 All profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all Taxes paid thereon (including but not limited to advance tax, tax deducted or collected at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, as the case may be, of the Resulting Company; and

13.2.3 All loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.

13.3 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 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 the demerger of the Demerged Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting 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 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 pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms thereof, without any further act or deed to be done or executed by the Resulting Company. It is clarified that the Resulting 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.

14. FACILITATION PROVISIONS

14.1 Immediately upon the Scheme being effective, the concerned Parties shall enter into agreements as may be necessary, inter alia in relation to use by the Parties of office space, 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.



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- 14.2 It is clarified that all guarantees provided by the Demerged Company in respect of the Demerged Undertaking, if any, shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company.

15. 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 or otherwise, in favour of the Resulting Company such 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 relevant Parties, 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.

16. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

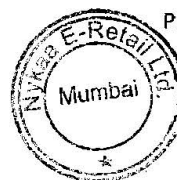
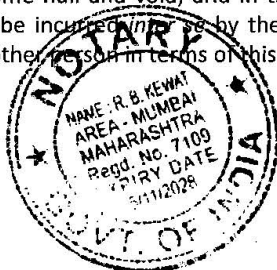
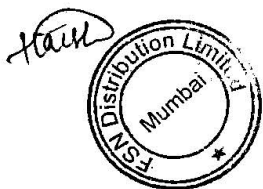
- 16.1 The Parties shall make and file all applications and petitions under sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

17. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 17.1 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.
- 17.2 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.

18. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

- 18.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- 18.2 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 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.
- 18.3 In the event the Effective Date does not occur on or before such date as may be agreed by the Parties, this Scheme shall become null and void, and in that event no rights and liabilities whatsoever shall accrue to or be incurred in or by the Parties or their shareholders or creditors or employees or any other person in terms of this Scheme.



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- 18.4 In the event of revocation/ withdrawal of the Scheme under this Clause 18, 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, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

19. COSTS AND EXPENSES

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 Resulting Company.

