

September 30, 2024

Listing Department
The Bombay Stock Exchange Limited,
Phiroze jeejeebhoy Towers
Dalal Street, Mumbai- 400023
[Scrip Code- 505720]

Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai-400051
[Symbol HERCULES]

Subject: Intimation of Record Date

Dear Sir/ Madam,

Please find attached the documents/information for record date for scheme of Demerger between Hercules Hoists Limited and Indef Manufacturing Limited

Sr. No.	List of documents	Yes/ No/ Not Applicable
1	Notice of Record Date / Book Closure	Yes Annexure 1
2	A brief note on the Scheme of Arrangement	Yes Annexure 1
3	Confirmation on the Compliance with the Observation Letter issued by the Exchange	Yes Annexure 2
4	Certified true copy of the NCLT Order	Yes Annexure 3
5	Certified true copy of the Scheme	Yes Annexure 3
6	An undertaking regarding the Changes in ISIN, if any	Not Applicable
7	Details of pre and post net worth and share capital certified by Practicing Chartered Accountant (Applicable only if the company is under F&O segment)	Not Applicable

For **Hercules Hoists Limited**

Vineesh Vijayan Thazhumpal
Company Secretary
ACS 63683

Company: HERCULES HOISTS LIMITED

T: +91 22 45417301 | E: cs@herculeshoists.in | U: www.herculeshoists.in

Corporate Office: 501-504, Shelton Cubix, Sector 15, Plot #87, CBD Belapur, Navi Mumbai 400614, INDIA

Registered Office: Bajaj Bhawan, 2nd Floor, 226, Jamnalal Bajaj Marg, Mumbai 400 021, INDIA

CIN: L45400MH1962PLC012385

Annexure – 1

With reference to our intimations dated September 18, 2022, September 23, 2022, December 22, 2023, December 30, 2024, January 31, 2024, May 31, 2024 and August 7, 2024 notifying the exchange(s) about updates on the Scheme and intimations dated September 3, 2024 notifying final detailed order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("Tribunal") sanctioning the Scheme of Demerger ("Order"), the board of Directors in its meeting today, in terms of Regulation 42 of the Listing Regulations and the Scheme, **October 11, 2024** has been fixed as the Record Date for the purpose of determining the eligible shareholders of Hercules Hoists Limited to whom the securities of Indef Manufacturing Limited would be allotted in terms of the Scheme ("Record Date").

In terms of the sanctioned Scheme:

- a. Each equity shareholder of Hercules Hoists Limited as on the Record Date, will be issued and allotted 1 (One) fully paid-up equity share(s) of INR 1 (Indian Rupees One) each of Indef Manufacturing Limited for every 1 (One) fully paid-up equity share(s) of INR 1 (Indian Rupees One) each of HHL.
- b. No Fractional entitlement shall arise, as the resulting Company will be allotting shares in 1:1 ratio basis.

The details as required under Listing Regulations read with SEBI Master Circular No. SEBI/ HO/ CFD/ PoD2/ CIR/ P/ 2023/120 dated July 11, 2023 are as below:

Details of Demerger

Sr. No.	Particulars	Details
1.	Brief details of the division(s) to be demerged	Scheme provides for demerger of manufacturing business carried on by HHL ('Manufacturing Undertaking'), into IML.
2.	Turnover of the Demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on	<ol style="list-style-type: none"> a. Turnover of the Demerged Undertaking for the period ended March 31, 2024, was Rs. 179.53 Crores; b. The turnover of the Demerged Undertaking was 100% to the total turnover of the Company during the financial year ended March 31, 2024; and c. As per limited review, Turnover of the Demerged Undertaking for the period ended June 30, 2024, was Rs. 38.14 Crore.

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	financials of the last financial year	
3.	Rationale for Demerger/ Brief note on demerger	<p>The demerger of the Manufacturing Undertaking (as defined herein under) from HHL to IML is based on the following rationale:</p> <ol style="list-style-type: none"> 1. The demerger will result into splitting of manufacturing business and investment business of the Demerged Company with a view to unlocking value, enhance the scope of work of both, the Demerged Company and the Resulting Company, and further to draw new investors, JV, bringing technology partner, merger & acquisition for exploring other growth potential in it 2. The demerger will result in increased flexibility and enhance the ability of HHL and (name of the Resulting Company) to undertake their respective businesses, thereby contributing to the enhancement of future business potential. 3. The Scheme will allow the respective management to pursue independent growth strategies. The Scheme will also provide scope of separate companies for independent collaboration and expansion. 4. The Scheme will ensure focused management attention, resources and skill set allocation of both HHL and IML of Remaining Undertaking and Demerged undertaking respectively with a view to rationalize and simplify the structure of Demerged Entity 5. The transfer and vesting of the Demerged Undertaking into IML, by way of demerger, would facilitate focused management attention, provide leadership vision, facilitate efficiency in operations due to individual specialization, provide greater leveraging due to financial independence and facilitate strategic financial investment to the Demerged Undertaking and enabling the management of HHL to focus on the Remaining Undertaking and allow it to grow aggressively.
4.	Brief details of change in shareholding pattern (if any) of all entities	<p>Upon the Scheme coming into effect on the Effective Date (as defined under the Scheme), on demerger, IML shall issue 3,20,00,000 (Three Crores Twenty Lakhs) Equity Shares of IML having face value of INR 1/- (Indian Rupees One) each to the equity shareholders of HHL.</p> <p>Further, upon allotment of equity shares by IML, the entire pre scheme paid up share capital of IML held by HHL shall stand cancelled and the paid-up share capital of IML to that effect shall stand cancelled and reduced, without any consideration. The shares of IML will be listed on the BSE Limited and the National Stock Exchange in accordance with the SEBI regulations and circulars.</p>

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		Pre and post shareholding pattern of HHL				
Particulars	Pre-Scheme		Post-Scheme			
	No. of Equity Shares	% Holding	No. of Equity Shares	% Holding		
Promoters	2,22,75,720	69.61	2,22,75,720	69.61		
Public	97,24,280	30.39	97,24,280	30.39		
Non Promoter – Non Public	-	-	-	-		
Total	3,20,00,000	100.00	3,20,00,000	100.00		
		Pre and post shareholding of IML				
Particulars	Pre-Scheme		Post-Scheme			
	No. of Equity Shares	% Holding	No. of Equity Shares	% Holding		
Promoters	1,00,000	100.00	2,22,75,720	69.61		
Public	-	-	97,24,280	30.39		
Non Promoter – Non Public	-	-	-	-		
Total	1,00,000	100.00	3,20,00,000	100.00		
6.	In case of cash consideration – amount or otherwise share exchange ratio	<p>In consideration of the demerger of Manufacturing Undertaking of HHL into IML, the following share exchange ratio has been approved:</p> <p>1 (One Only) equity share of Indef Manufacturing Limited of INR 1/- each fully paid up for every 1 (One Only) equity share of Hercules Hoists Limited of INR 1/- each fully paid up.</p> <p>There is no cash consideration, or any other form of consideration issued on demerger</p>				
7.	Whether listing would be sought for the resulting entity	Yes. The shares issued by IML would be listed on BSE Limited and the National Stock Exchange of India Limited subject to necessary approvals.				

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CONFIRMATION

We hereby confirm that the Company has complied with the Observation letters dated May 23, 2024 issued by the BSE Limited and May 23, 2024 issued by the National Stock Exchange for Scheme of Demerger between Hercules Hoists Limited and Indef Manufacturing Limited.

For **Hercules Hoists Limited**

Vineesh Vijayan Thazhumpal
Company Secretary
ACS 63683

Date: September 30, 2024

Company: HERCULES HOISTS LIMITED

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CIN: L45400MH1962PLC012385



IML/CM6

September 03, 2024

Listing Department
The Bombay Stock Exchange Limited,
Phiroze jeejeebhoy Towers
Dalal Street, Mumbai- 400023
[Scrip Code- 505720]

Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai-400051
[Scrip Code-HERCULES EQ]

Sub: Receipt of certified true copy of the Order of the Hon'ble National Company Law Tribunal, Mumbai Bench in the matter of the Scheme of Demerger amongst Hercules Hoists Limited (Demerged Company) and Indef Manufacturing Limited (Resulting Company)

Dear Sir/Madam,

This has reference to our earlier disclosures dated September 18, 2022, September 23, 2022, December 22, 2023, December 30, 2024, January 31, 2024, May 31, 2024 and August 7, 2024, in connection with the Scheme of Demerger amongst Hercules Hoists Limited (Demerged Company) and Indef Manufacturing Limited (Resulting Company), under the applicable provisions Companies Act, 2013 read with the relevant Rules framed thereunder.

The Hon'ble National Company Law Tribunal, Mumbai Bench had pronounced the order on August 2, 2024, approving and sanctioning the aforesaid Scheme of Demerger ('Order').

This is to inform you that the Company has received the certified true copy of the Order today i.e. September 03, 2024 and the same is enclosed herewith.

This disclosure is being made in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We request you to kindly take the above information on record.

Thanking you

For Hercules Hoists Limited,

Vineesh Vijayan Thazhumpal
Company Secretary
ACS 63683

Company: HERCULES HOISTS LIMITED

T: +91 22 45417301 | F: +91 2192 274125 | E: indef@indef.com | U: www.indef.com

Corporate Office: 501-504, Shelton Cubix, Sector 15, Plot #87, CBD Belapur, Navi Mumbai 400614, INDIA

Works: Khalapur, Chakan | **Regional Offices:** Pune, Delhi, Chennai, Kolkata

Registered Office: Bajaj Bhawan, 2nd Floor, 226, Jarnalal Bajaj Marg, Mumbai 400 021, INDIA

CIN: L45400MH1962PLC012385

THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT I

C.P. (CAA) 78/MB/2024

C/w

C.A.(CAA)/181/MB/2023

In the matter of

The Companies Act, 2013 (18 of 2013);

And

In the matter of

*Section 232 r/w Section 230 and other applicable
provisions of the Companies Act, 2013 and Rules
framed thereunder as in force from time to time;*

and

In the matter of

Scheme of Demerger & Arrangement

Between

Hercules Hoists Limited

CIN L45400MH1962PLC012385

...Petitioner Company 1/
Demerged Company

INDEF Manufacturing Limited

CIN U29308MH2022PLC390286

...Petitioner Company 2/
Resulting Company

Order delivered on 02.08.2024

Coram:

Shri Prabhat Kumar

Hon'ble Member (Technical)

Justice V.G. Bisht (Retd.)

Hon'ble Member (Judicial)

Appearances (through)



For the Petitioner Companies : Mr. Ninad Sahasrabudhe,
PCS

For the Regional Director : Mr. Bhagwati Prasad,
Assistant Registrar, Office of
Regional Director, Western
Region, Mumbai

ORDER

1. Heard the learned Authorized Representative for the for the Petitioner Companies. Neither any objector has come before the Tribunal to oppose the Petition and nor any party has controverted any averments made in the Petition.
2. The sanction of this Tribunal is sought under Sections 232 r/w Section 230 and other applicable provisions of the Companies Act, 2013 ('Act') and in the matter of Scheme of Demerger and Arrangement between **Hercules Hoists Limited** ('Demerged Company') and **Indef Manufacturing Limited** ('Resulting Company') and their respective shareholders.
3. The Demerged Company is a listed public limited company and is engaged in the business of manufacturing, sales, distribution and marketing of mechanical hoists, electric chains hoists, wire rope hoists and other material handling equipment and other business by way of investments in various mutual funds schemes and equity instruments.
4. The Resulting Company is an unlisted public limited company incorporated with a view to undertake the businesses of manufacturing



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of hoists, cranes and other material handling equipment i.e. the business of the Demerged Company and specifically the Manufacturing Business.

5. The Petitioner Companies submits that the entire issued, subscribed and paid up share capital of the Resulting Company is currently held by the Demerged Company along with nominees.
6. The Board of Directors of the Petitioner Companies passed a Resolution in the respective Board meetings dated 23rd September 2022 approving the draft scheme of Demerger and Arrangement between the Petitioner Companies. The appointed date for the Scheme is 1st October 2022 or such other date as the Tribunal may direct or fix for the purpose of the Scheme.
7. The management of the Petitioner Companies believe that the scheme of Demerger and Arrangement between the Petitioner Companies shall result in:
 - a) Splitting of manufacturing business and investment business of the Demerged Company with a view to unlocking value, enhance the scope of work of both, the Demerged Company and the Resulting Company, and further to draw new investors, JV, bringing technology partner, merger & acquisition for exploring other growth potential in it.
 - b) Increased flexibility and enhance the ability of Petitioner Companies to undertake their respective businesses, thereby contributing to enhancement of future business potential.



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- c) Allowing the respective management to pursue independent growth strategies. The Scheme will also provide scope of separate companies for independent collaboration and expansion.
- d) Focused management attention, resources and skill set allocation of both the Petitioner Companies with a view to rationalize and simplify the structure of the Demerged Undertaking.
- e) Facilitating focused management attention, provide leadership vision, facilitate efficiency in operations due to individual specialization, provide greater leveraging due to financial independence and facilitate strategic financial investment to the Demerged Undertaking and enabling the management of Demerged Company to focus on the Remaining Undertaking and allow it to grow aggressively.
- f) The transfer and vesting of the Demerged Undertaking along with assets and liabilities relating to the Demerged Undertaking into IML, will benefit IML and its members.
- g) In consideration of the Demerger, the Shareholders of the Demerged Company will receive equity shares in the Resulting Company, which will be listed on Stock Exchange(s). The Shares held by the Demerged Company in the Resulting Company (if any) will be cancelled upon the effectiveness of the Scheme as the shareholding pattern of the Demerged Company and the Resulting Company will be exactly the same (i.e. mirror shareholding pattern).
- h) The Demerger and the consequent issue of equity shares by the Resulting Company are proposed to allow shareholders of the



Demerged Company and the Resulting Company and the investors to invest in the distinct key businesses and allow shareholders of the Demerged Company and the Resulting Company unlock the value of their investments.

- i) The proposed demerger will assist in the potential of the respective businesses being realized more fully and will have beneficial results for the said companies and their shareholders.
- j) The Scheme is in the interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of the Scheme of Arrangement. The Scheme will neither impose any additional burden on the shareholders of the Demerged Company, nor will it adversely affect the interests of any of the shareholders or creditors of the Demerged Company and the Resulting Company. Further, the Scheme is only for the transfer and vesting of the Demerged Undertaking by way of an arrangement from the Demerged Company into the Resulting Company and is not an arrangement or compromise with the creditors of any of the entities involved in the Scheme.

8. Consideration:

Upon the Scheme coming into effect, in consideration of the demerger of the Demerged Undertaking into Resulting Company pursuant to provisions of this Scheme, and without any further application, act, deed payment, consent acts, instruments or deed, Resulting Company will issue and allot fully paid-up equity shares of Re. 1 each (the "New Shares") to shareholders of Demerged Company in accordance with the



terms of the Scheme. The New Shares will be issued by Resulting Company to such equity shareholders of Demerged Company whose names are recorded in the register of members of Demerged Company as on the Record Date in the ratio of 1:1, i.e. ***“1 (One) equity share of INDEF MANUFACTURING LIMITED of Face Value of INR 1 each fully paid up shall be issued for every 1 (One) equity share of Face Value of INR 1 each fully paid up held in HERCULES HOISTS LIMITED”***.

9. The valuation report recommending share entitlement ratio for the Scheme of Arrangement (Demerger) dated 22nd September 2022 is issued by Paras K. Savla, IBBI Registered Valuer (IBBI/RV/06/2018/10102).
10. The Demerged Company is listed with the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). Pursuant to the Securities and Exchange Board of India ('SEBI') Circular CFD/DIL3/CIR/P/2021/0000000665 dated 23.11.2021, as amended from time to time and read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Demerged Company had applied to BSE and NSE for their Observation Letter / No Objection Letter to file the Scheme for sanction of the Tribunal. BSE and NSE vide their respective letters dated 23rd May 2023 and 24th May 2023 respectively have provided their No Adverse Observation Letter / No Objection Letter to the Scheme.
11. The Company Petition has been filed in consonance with the Order passed in the C.A.(CAA) No. 181 of 2023 of the Tribunal and the Petitioner Companies have complied with all requirements as per directions of the National Company Law Tribunal, Mumbai Bench and they have filed necessary affidavits of compliance.



12. The Regional Director has filed his Report dated 15.07.2024 making certain observations and the Petitioner Companies have undertaken/made following submission that :

- i. The Petitioner Companies shall comply with all the applicable Accounting Standard and pass such entries which are necessary in connection with the scheme, including AS-14 or IND-AS 103, AS-5 or IND-AS 8 etc;
- ii. The Scheme enclosed with the Company Scheme Petition and Company Scheme Application are one and the same and there is no discrepancy or no change is made;
- iii. The Scheme is in compliance with Section 232(6) of the Companies Act, 2013 and in compliance of the circular No. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs;
- iv. The present scheme is in compliance with Section 2(19AA) of the Income Tax Act, 1961;
- v. The interest of creditors will be protected;
- vi. Indef Manufacturing Limited (Resulting Company) is Wholly Owned Subsidiary of the Hercules Hoists Limited (Demerged Company), the filing of form BEN-2, as per the provisions of Section 90 of the Companies Act, 2013, is not applicable to the Resulting Company.

13. Mr. Bhagwati Prasad, Assistant Director for the Office of Regional Director (WR), Mumbai appeared on the date of hearing and submits that above explanations and clarifications given by the Petitioner Companies in rejoinder are satisfactory and they have no further objection to the Scheme.



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14. From the material on record, the Scheme annexed to the Company Scheme Petition appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Since all the requisite statutory compliances have been fulfilled, CP (CAA)/78/MB/2024 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.
15. The Scheme is hereby sanctioned with the Appointed Date of 1st October 2022. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned including their respective Equity Shareholders, Preference Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors, Employees and/or any other stakeholders concerned.
16. The creditors of undertaking, being demerged, shall be entitled to make claim against the Resulting Company as well as Demerged Company in relation to their debt up to the date of demerger. In case the Resulting Company is made to pay the debt of such undertaking, it shall be entitled to seek reimbursement of the amount so paid from the Demerged Company.
17. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies electronically along with e-form INC-28 within 30 days from the date of receipt of the certified copy of Order by the Petitioner Companies. The Scheme will become effective on filing of the copy of this order with the concerned Registrar of Companies.
18. The Petitioner Companies to lodge a copy of this Order along with the Scheme duly authenticated/ certified by the Joint or the Assistant



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C/w

C.A.(CAA)/181/MB/2023

Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified Order from the Registry of this Tribunal.

19. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Joint or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.

20. Ordered accordingly.

Sd/-

Prabhat Kumar
Member (Technical)

Sd/-

Justice V.G. Bisht
Member (Judicial)



Certified True Copy _____
Date of Application 16/8/2024
Number of Pages 9
Fee Paid Rs. 45/-
Applicant called for collection copy on 03/9/24
Copy prepared on 03/9/2024
Copy Issued on 03/9/2024


Deputy Registrar

National Company Law Tribunal, Mumbai Bench

DRAFT SCHEME OF ARRANGEMENT

(DEMERGER)

BETWEEN

HERCULES HOISTS LIMITED

AND

INDEF MANUFACTURING LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232

AND

OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PREAMBLE

This Scheme of Arrangement (Demerger) is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for demerger of the Manufacturing Business, i.e the Demerged Undertaking (*as defined hereinafter*) of Hercules Hoists Limited ("*HHL or Demerged Company*") into Indef Manufacturing Limited ("*IML or Resulting Company*").

This Scheme also provides for various other matters consequential and otherwise integrally connected therewith,

This Scheme is divided into the following parts:

1. Part I – Introduction, Rationale and Operation of the Scheme
2. Part II – Definitions and Share Capital
3. Part III – Demerger of demerged undertaking of HHL into IML Consideration and Accounting Treatment
4. Part IV – General Clauses and Conditions



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PART IINTRODUCTION, RATIONALE AND OPERATION OF THE SCHEME1. INTRODUCTION1.1. HERCULES HOISTS LIMITED

HHL is a listed public limited Company incorporated under the provisions of the Companies Act, 1956 on 15th June 1962, having CIN as L45400MH1962PLC012385, having PAN as AAACH2706D and having its registered office situated at Bajaj Bhawan, 2nd Floor, 226, Jammalal Bajaj Marg, Nariman Point, Mumbai – 400021. The equity shares of the HHL are listed with the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). HHL is primarily engaged in the business of manufacturing, sales, distribution and marketing of mechanical hoists, electric chains hoists, wire rope hoists and other material handling equipments ('Manufacturing Business'/'Hoists Business') and other business by way of investments in various mutual funds schemes and equity instruments.

1.2. INDEF MANUFACTURING LIMITED ('IML')

IML is an unlisted public company incorporated under the provisions of the Companies Act, 2013 on 12th September 2022, having CIN as U29308MH2022PLC390286 having PAN as AAGC18441Q and having its registered office situated at Bajaj Bhawan 226 Jammalal Bajaj Marg Nariman Point Mumbai 400021. The Resulting Company was incorporated with a view to undertake the businesses manufacturing of hoists, cranes and other material handling equipments i.e the business of the Demerged Company and specifically the Manufacturing Business. The entire issued, subscribed and paid up share capital of the Resulting Company is currently held by the Demerged Company along with nominees.

2. RATIONALE

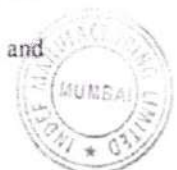
2.1. The demerger of the Demerged Undertaking (as defined herein under) from HHL to

IML is based on the following rationale:

2.1.1. The demerger will result into splitting of manufacturing business and investment business of the Demerged Company with a view to unlocking value, enhance the scope of work of both, the Demerged Company and the Resulting Company, and



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further to draw new investors, JV, bringing technology partner, merger & acquisition for exploring other growth potential in it.

- 2.1.2. The demerger will result in increased flexibility and enhance the ability of HHL and Indef Manufacturing Limited to undertake their respective businesses, thereby contributing to enhancement of future business potential.
- 2.1.3. The Scheme will allow the respective management to pursue independent growth strategies. The Scheme will also provide scope of separate companies for independent collaboration and expansion.
- 2.1.4. The Scheme will ensure focused management attention, resources and skill set allocation of both HHL and IML of Remaining Undertaking and Demerged Undertaking respectively with a view to rationalize and simplify the structure of the Demerged Undertaking.
- 2.1.5. The transfer and vesting of the Demerged Undertaking into Indef Manufacturing Limited, by way of demerger, would facilitate focused management attention, provide leadership vision, facilitate efficiency in operations due to individual specialization, provide greater leveraging due to financial independence and facilitate strategic financial investment to the Demerged Undertaking and enabling the management of HHL to focus on the Remaining Undertaking and allow it to grow aggressively.
- 2.1.6. The transfer and vesting of the Demerged Undertaking along with assets and liabilities relating to the Demerged Undertaking into IML, will benefit IML and its members.
- 2.1.7. In consideration of the Demerger, the Shareholders of the Demerged Company will receive equity shares in the Resulting Company, which will be listed on Stock Exchange(s). The Shares held by the Demerged Company in the Resulting Company (if any) will be cancelled upon the effectiveness of the Scheme as the shareholding pattern of the Demerged Company and the Resulting Company will be exactly the same (i.e mirror shareholding pattern).
- 2.1.8. The Demerger and the consequent issue of equity shares by the Resulting Company are proposed to allow shareholders of the Demerged Company and the Resulting Company and the investors to invest in the distinct key businesses and allow



Buy



shareholders of the Demerged Company and the Resulting Company unlock the value of their investments.

2.1.9. The proposed demerger will assist in the potential of the respective businesses being realized more fully and will have beneficial results for the said companies and their shareholders.

2.1.10. The Scheme is in the interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either HHL or IML would be prejudiced as a result of the Scheme of Arrangement. The Scheme will neither impose any additional burden on the shareholders of the Demerged Company, nor will it adversely affect the interests of any of the shareholders or creditors of the Demerged Company and the Resulting Company. Further, the Scheme is only for the transfer and vesting of the Demerged Undertaking by way of an arrangement from the Demerged Company into the Resulting Company and is not an arrangement or compromise with the creditors of any of the entities involved in the Scheme.

3. OPERATION OF THE SCHEME

This Scheme of Arrangement (Demerger) is presented under Section 230 to 232 of the Companies Act, 2013, read with other applicable provisions of the Companies Act, 2013. This scheme provides for demerger, transfer and vesting of the Demerged Undertaking from HHL on a going concern basis into IML and continuance of interest of HHL in the Remaining Undertaking.

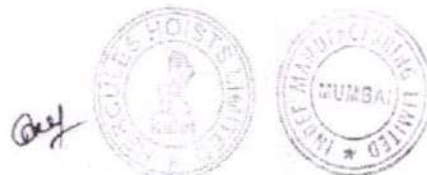
PART II

DEFINITIONS AND SHARE CAPITAL

4. DEFINITIONS

In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

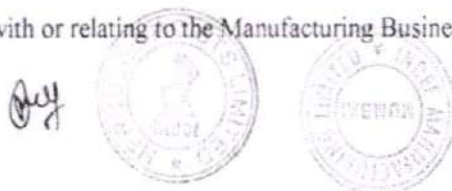
4.1. 'Act' means the Companies Act, 2013, along with the rules and regulations issued thereunder, including any statutory modifications, re-enactments or amendments made thereto from time to time.



- 4.2. **'Appointed Date'** means 1st day of October 2022 or such other date as the Tribunal may direct or fix, for the purpose of the Scheme.
- 4.3. **'Applicable Laws'** means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Government resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, or other similar directives made pursuant to such laws, whether in effect on the date of this Scheme or at any time after such date by any concerned authority having jurisdiction over the matter in question;
- 4.4. **'Board of Directors'** means and includes the respective Board of Directors of HHL and IML as the case may be, or any committee constituted by the Board of Directors of any of the respective Companies for the purpose of this Scheme.
- 4.5. **'Companies'** means the Demerged Company and the Resulting Company and shall mean and include its successors and assigns.
- 4.6. **'Demerged Company'** or **'HHL'** is a listed public limited Company incorporated under the provisions of the Companies Act, 1956 on 15th June 1962, having CIN as L45400MH1962PLC012385, having PAN as AAACH2706D and having its registered office situated at Bajaj Bhawan, 2nd Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400021. The equity shares of the HHL are listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- 4.7. **'Demerged Undertaking'** shall mean all the business, assets and liabilities, of whatsoever nature and kind and wheresoever situated pertaining to the manufacturing of hoists, cranes and other material handling equipments forming a part of Manufacturing Business on a going concern basis, and shall mean and include (without limitation):
- 4.7.1. All the assets and properties, movable and immovable, corporeal or incorporeal, present, future or contingent of whatsoever nature of the Demerged Company as on the Appointed Date, pertaining to the Manufacturing Business i.e the Demerged Undertaking.



- a) Without prejudice to the generality of sub-clause 4.7.1 above, the Demerged Undertaking shall include all assets, reserves, properties whether movable and immoveable, real and personal, in possession or reversion, corporeal and incorporeal, present and future, contingent or of whatsoever nature, wheresoever situated along with buildings, offices, plant and machineries, vehicles, investments (if any), capital work-in-progress, current assets, intangibles, office equipment's, appliances, computers, accessories, licenses, permits, quotas, approvals, registrations, lease, tenancy rights, incentives (including any profit linked deductions), if any, municipal permissions, consents, powers of every kind, nature and description whatsoever in connection with or pertaining to or relatable to the Manufacturing Business and all other permissions, rights, contracts (including rights under any contracts, government contracts, memorandum of understanding, etc.), any development rights, all entitlements, deposits, advances and / or moneys paid or received by the Demerged Company in connection with or pertaining to or relatable to the Manufacturing Business, all statutory licenses and / or permissions and / or approvals and / or filings to carry on the operations of the Manufacturing Business, benefits of all agreements, import entitlements contracts and arrangements and all other interests in connection with or relating to the Manufacturing Business';
- b) all debts, loans whether secured or unsecured, liabilities including contingent liabilities and obligations of the Demerged Company pertaining to and / or arising out of and / or relatable to and or availed for the purposes of the 'Manufacturing Business';
- c) all security created, all guarantees issued and all other obligations as stated in the any finance documents of the Demerged Company till the Effective Date, on a private placement basis, which are secured by, *inter alia*, the assets forming part of the Demerged Undertaking,
- d) all deposits and balances with Government, semi Government, local and other authorities and bodies, customers and other persons, earnest moneys and / or security deposits paid or received by the Demerged Company directly or indirectly in connection with or relating to the Manufacturing Business';



- e) all agreements, rights, contracts, entitlements, permits, power of attorneys, licenses, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, tax collected at source, MAT credit, tax losses, unutilized deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilized deposits or credits, benefits of any unutilized MODVAT/CENVAT/Service tax credits, goods and services tax credits, consents or approvals from any governmental authority, lender or third party etc.) relating to the Manufacturing Business;
- f) all necessary books, records, agreements, contracts, appointment letters, files, papers, product specification, engineering and process information, 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 in connection with or relating to the Manufacturing Business and all books of accounts, documents and records relating to HHL;
- g) all the respective employees of the Demerged Company substantially engaged in the Manufacturing Business, and those employees that are determined by the Board of Directors of the Demerged Company to be substantially engaged in or relatable to the Manufacturing Business as on the Effective Date.

For the purposes of the definition of the Demerged Undertaking and this Scheme, it is clarified that liabilities pertaining to or relating to the Manufacturing Business shall mean:

- i. the debts, liabilities, including debentures (whether issued or to be issued) and obligations and duties of any kind, nature or description (including contingent liabilities) incurred or undertaken, or to be, incurred or undertaken, which arise out of the activities or operations of the Demerged Undertaking (comprising of the Manufacturing Business);

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- ii. the specific loans, credit facilities, overdraft facilities and borrowings (including debentures, bonds, notes and other debt securities) raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking (comprising of the Manufacturing Business); and
- iii. liabilities in cases, other than those referred to in sub-clauses (i) and (ii) above and not directly relatable to the Remaining Business of Demerged Company, being the amounts of general or multipurpose borrowings, if any, of the Demerged Company, allocated to the Demerged Undertaking in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bears to the total value of the assets of the Demerged Company immediately prior to the Appointed Date, as prescribed under the Income-tax Act, 1961.

Any question that may arise as to whether a specified asset or liability and / or employee pertains to or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Manufacturing Business shall be decided by the Board of Directors of the Demerged Company.

It is hereby clarified that the Demerged Undertaking shall not include 'Remaining Business' or 'Remaining Undertaking'.

- 4.8. '**Effective Date**' means the last of the dates on which the certified copies of the order(s) of the Tribunal sanctioning the scheme are filed with the Registrar of Companies, Mumbai by HHL and IML.
- 4.9. '**NCLT**' or '**Tribunal**' the National Company Law Tribunal, Mumbai Bench having jurisdiction over the Demerged Company and the Resulting Company for the purpose of approving any scheme of compromises, arrangement and merger of companies under Sections 230 to 232 and other applicable sections of the Companies Act, 2013.
- 4.10. '**Resulting Company**' or '**IML**' is an unlisted private limited Company incorporated under the provisions of the Companies Act, 2013 on 12/09/2022 having CIN as U29308MH2022PLC390286 having PAN as AAGCI8441Q and having its registered office situated at Bajaj Bhavan 226 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021.

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- 4.11. **'The Scheme' / 'Scheme of Arrangement' / 'Scheme of Demerger' / 'this Scheme' or 'Scheme'** means this Arrangement (Demerger) in its present form with any modification(s) as approved by the Board of Directors of all the Companies in its present form and with any modifications as may be approved or imposed or directed by the Hon'ble NCLT at Mumbai or any other appropriate authority.
- 4.12. **'Record Date'** means the date to be fixed by the Board of Directors of HHL, upon the Scheme coming into effect, and if required, in consultation with IML, for the purpose of reckoning name of the equity shareholders of HHL, who shall be entitled to receive the New Shares to be issued by the IML and for any other purpose as provided in this scheme.
- 4.13. **'Remaining Undertaking' or 'Remaining Business'** means all the undertakings, business activities and operations of HHL other than the Demerged Undertaking pertaining to the Manufacturing Business, as on the commencement of the Appointed Date and as modified and altered from time to time to the Effective Date.
- 4.14. **'ROC'** means Registrar of Companies, Mumbai in relation to the Demerged Company and the Resulting Company.
- 4.15. **'Government'** means any applicable Central, State Government or local body, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India.
- 4.16. **'IT Act'** means the Income-tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force read with the relevant rules, regulations and/or circulars issued thereunder.
- 4.17. **'SEBI Circular'** means SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 having subject as Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Subrule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
- 4.18. **'Stock Exchanges'** would mean BSE and NSE together and any reference to Stock Exchange would mean BSE or NSE as the case may be."



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5. INTERPRETATION

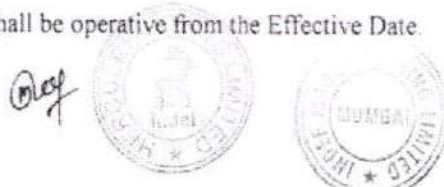
5.1. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, the IT Act, or any other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification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

5.1.1. In this Scheme, unless the context otherwise requires:

- a) the words "including", "include" or "includes" shall be interpreted in a manner as though the words "without limitation" immediately followed the same;
- b) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
- c) the words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- d) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
- e) the term "Clause" refers to the specified clause of this Scheme, as the case may be;
- f) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;
- g) words in the singular shall include the plural and *vice versa*;

6. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, unless otherwise specified in the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.



7. SHARE CAPITAL

7.1. The Share Capital of the HHL as on 31st August 2022 is as follows:

Particulars	Amount (In Rs)
Authorised Share Capital (4,00,00,000 Equity Shares of Re 1 each)	4,00,00,000
Issued Subscribed and Paid Up Share Capital (3,20,00,000 Equity Shares of Re. 1 each)	3,20,00,000

7.2. The Share Capital of the IML as on 12th September 2022 is as follows:

Particulars	Amount (In Rs)
Authorised Share Capital (10000 Equity Shares of Rs. 10 each)	1,00,000
Issued Subscribed and Paid Up Share Capital (10000 Equity Shares of Rs. 10 each)	1,00,000

PART III

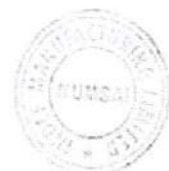
DEMERGER OF THE DEMERGED UNDERTAKING OF HHL

8. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

- 8.1. With effect from the Appointed Date, the Demerged Undertaking of HHL shall, without any further act or deed, be transferred and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in HHL, as a going concern in accordance with Section 2(19AA) of the Income Tax Act, 1961, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the relevant Act and the provisions of this Scheme in relation to the mode of transfer and vesting of assets.
- 8.2. The assets of the Demerged Undertaking, which are movable in nature of incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession, shall be so transferred by HHL and shall become the property of IML without any act or deed on the part of HHL and IML and without requiring any separate deed or instrument or conveyance for the same to end and intent that the property and benefits therein passes to IML.



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8.3. In particular, the Demerged Undertaking shall vest with and be available to the Resulting Company, in the manner described in sub-paragraph (a) to (e) as follows:

- a) Upon this scheme coming into effect from the Appointed Date, all assets and liabilities of the Demerged Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 to Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company as a going concern. From the Appointed Date, the Demerged Undertaking of the Demerged Company shall vest in the Resulting Company along with all the rights, title, interest or obligations therein:

Provided that for the purpose of giving effect to the vesting order passed under Section 232 in respect of this Scheme, the Resulting Company shall be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties in accordance with the provisions of the Act, at the office of the respective concerned authority, where any such property is situated;

- b) All immovable properties pertaining to the Demerged Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed and without any approval or acknowledgement of any third party. Upon the Scheme coming into effect, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties (whether freehold or leasehold) comprised in the Demerged Undertaking, in favor of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme and it becoming effective in accordance with the terms thereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such



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immovable property of the Demerged Undertaking is given to the Resulting Company in accordance with the terms hereof,

- c) All the movable assets comprised in the Demerged Undertaking including cash in hand, if any, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Resulting Company, to the end and intent that the ownership and property therein passes to the Resulting Company on such handing over in pursuance of the provisions of Section 232 of the Act (as an integral part of the Demerged Undertaking of the Demerged Company). The plant and machinery, which are fastened to land and/or buildings continue to remain movable properties inter alia because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties;
- d) In respect of all movables comprised in the Demerged Undertaking, other than those specified in sub-clause (c) above, including trade receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Resulting Company under the provisions of the Act;
- e) In relation to the assets, properties and rights including rights arising from contracts deeds, instruments and agreements including development agreements, if any, pertaining to the Demerged Undertaking, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Resulting Company and the Demerged Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case may be, as and when required or will enter into a novation agreement;
- f) All debts, loans whether secured or unsecured, debentures, liabilities (including deferred tax liability, property tax), duties, guarantees, indemnities and



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obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or unknown in the balance sheet pertaining to the Demerged Undertaking shall also, under the provisions of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company on the same terms and conditions, as applicable, so as to become as from the Appointed Date the debts, loans (secured /unsecured), debentures, liabilities (including deferred tax liability, property tax), duties, guarantees, indemnities and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties, guarantees, indemnities and obligations have arisen, in order to give effect to the provisions of this sub-clause;

It is hereby clarified that between the date of approval of this Scheme by the Board of Directors of the Demerged Company and the Resulting Company and the Effective Date, both the Demerged Company and the Resulting Company shall be permitted to raise and avail of fresh loans and borrowings (in any form whatsoever including through the issuance of debentures and/or other debt securities) for the purposes of the Demerged Undertaking. All such loans and other borrowings raised and all liabilities and obligations pertaining to the Demerged Undertaking and incurred by the Demerged Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company who shall meet and discharge the same.

Without prejudice to the foregoing provisions of this Section, upon the coming into effect of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), and other non-convertible debentures if any related to the Demerged Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other



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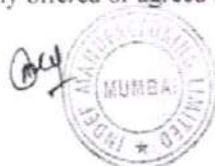


relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Resulting Company in accordance with the terms thereof and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Resulting Company as if it was the issuer of such debt securities, so transferred and vested.

Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company pertaining to the Demerged Undertaking as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company;

- g) However, the Resulting Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favor of the creditors, or lenders, as the case may be, or in favor of any other party to the contract or arrangement to which the Demerged Company is a party or any writing, as may be necessary, in order to give formal effect to the provisions mentioned herein. The Resulting Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Demerged Company as well as to implement and carry out all such formalities and compliances referred to above;
- h) The transfer and vesting of the Demerged Undertaking of the Demerged Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Demerged Company.

Provided however, that any reference in any security documents or arrangements (to which the Demerged Company is a party) pertaining to the assets of the Demerged Company offered or agreed to be offered as security for



any financial assistance or obligations, shall be construed as reference only to such assets, as are offered or agreed to be offered as security, pertaining to the Demerged Company as is vested in the Demerged Company, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking or any of the assets of the Resulting Company. Further, the filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies, Maharashtra, Mumbai shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Demerged Company, as required as per the provisions of this Scheme and of the Resulting Company, in relation to the Demerged Undertaking, on the Effective Date.

- i) It is hereby clarified that –
- Existing security, if any, in respect of liabilities of the Demerged Undertaking shall extend to and operate only over the assets comprised in the Demerged Undertaking which has been charged and secured in respect of the abovementioned liabilities.
- j) If any security or charge exists on the assets comprising of the Demerged Undertaking in respect of the loans and liabilities which have not been transferred to the Resulting Company pursuant to this Scheme, the Demerged Company shall create adequate security over the assets of the Demerged Company other than the Demerged Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Demerged Undertaking shall be released and discharged from such encumbrance;
- k) All existing and future incentives (including any profit linked deductions), unavailed credits and exemptions, benefit of carried forward losses, refunds available and other statutory benefits, including in respect of income tax (including tax deducted at source, tax collected at source and advance tax), excise (including MODVAT/ CENVAT), customs, VAT, sales tax, service tax (including input credit), goods and services tax etc. which the Demerged



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Undertaking of the Demerged Company is entitled to shall be available to and vest in Resulting Company;

- l) In so far as the various incentives (including any profit linked deductions), subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and services tax and other incentives, including any profit linked deductions), granted by any Government body, local authority or by any other person and availed of by the Demerged Undertaking of the Demerged Company, the same shall vest with and be available to the Resulting Company on the same terms and conditions as presently available to the Demerged Company;
- m) Upon coming into effect of this Scheme and till such time that the names of the bank accounts of the Demerged Undertaking of the Demerged Company is replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in their names, in so far as may be necessary;
- n) With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking of the Demerged Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favor of the Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary or obligee thereto;
- o) With effect from the Appointed Date, any statutory licenses, permissions, approvals and/ or consents (including from any third parties) held by the Demerged Company as required to carry on its operations shall stand vested in or transferred to, the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favor of the Resulting Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and



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consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking of the Demerged Company shall vest in, and become available to, the Resulting Company upon the Scheme coming into effect by virtue of the order of the NCLT.

- 8.4. The assets of the Demerged Undertaking on the Appointed Date shall, upon the Scheme coming into effect, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in IML pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the relevant Act and the vesting of all such assets shall take place from the Effective Date.
- 8.5. The assets of the Demerged Undertaking, acquired by HHL on and from the Appointed Date up to the Effective Date, shall also without any further act, instrument or deed, stand transferred to or be deemed to have been transferred to IML upon the Scheme coming into effect.
- 8.6. For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of HHL in any leave and licensed/leasehold properties in relation to the Demerged Undertaking shall, pursuant to Section 232 of the Companies Act, 2013 and other applicable provisions of relevant Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in IML however the said transfer shall be subject to payment of applicable duties to be paid by HHL.
- 8.7. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all approvals, environmental approval and consents, permissions (municipal and any other statutory permission), licenses, certificates, clearances, membership, subscriptions, entitlements, incentives, engagements, remissions, remedies, subsidies, concession and any exemptions or waivers, authorities, power of attorney(s) given by, issued to or executed in favour of HHL, in relation to the Demerged Undertaking, shall stand transferred to IML as if the same were originally given by, issued to or executed in favour of IML and IML shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and



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benefits under the same shall be available to IML. HHL and IML shall make applications to any Governmental Authorities or any third persons (as the case may be) as may be necessary in this behalf.

- 8.8. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, IML may, at any time after the Scheme coming into effect in accordance with the provisions hereof, if so required under any law or otherwise, at the costs and expenses of HHL, execute deeds (including but not limited to deeds of adherence), confirmations or other writings or tripartite arrangements with a party to any contract or arrangements to which HHL is a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. IML, shall under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of HHL and to carry out or perform all such formalities and compliances referred to above in relation to the Demerged Undertaking being transferred by HHL.
- 8.9. IML shall be entitled to the benefit of all insurance policies which have been issued in respect of the Demerged Undertaking and the name of IML shall be substituted as "Insured" in the policies as if IML was initially a party.
- 8.10. With effect from the Appointed Date, all debts, liabilities and obligations, whether recorded or not, of HHL relating to the Demerged Undertaking, as on the close of the business on the day immediately preceding the Appointed Date, shall without any further act or deed, pursuant to an order passed under the provisions of Section 232 of the Companies Act 2013, become the debts liabilities, duties and obligations of IML, who shall upon the Scheme coming into effect, meet, discharge and satisfy the same to the exclusion of HHL.
- 8.11. With effect from the Appointed Date, and subject to the provisions of this Scheme the liabilities of the Demerged Undertaking including, but not limited to all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities) and all duties and obligations in relation to the Demerged Undertaking (including any guarantees, indemnities, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or



utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 read and other applicable provisions, if any, of the Act, without any further act, instrument or deed or matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in IML, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by IML to the extent that they are outstanding as on the Effective Date so as to become as and from the Appointed Date, the liabilities of IML on the same terms and conditions as were applicable to HHL, without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have arisen, in order to give effect to the provisions of this clause. Further, any existing credit facilities which have been sanctioned to HHL in relation to the Demerged Undertaking by the bankers, financial institutions and any third party and which is standing as on the Appointed Date but before the Effective Date shall upon the Scheme coming into effect shall ipso facto extend to IML in relation to the Demerged Undertaking.

8.12. Where any such debts, loans raised, liabilities, duties and obligations of HHL in relation to the Demerged Undertaking as on the Appointed Date have been discharged or satisfied by HHL after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of IML.

8.13. With effect from the Appointed Date, all guarantees, indemnities and contingent liabilities of HHL in relation to the Demerged Undertaking shall also, without any further act or deed, be transferred to or be deemed to be transferred to IML so as to become as and from the Appointed Date, the guarantees, indemnities and contingent liabilities of IML and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such guarantees, indemnities and contingent liabilities have arisen or given, in order to give effect to the provisions of this clause.

8.14. The transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Demerged Undertaking, provided however, any reference in any security documents or arrangements, to which



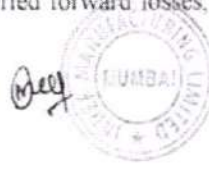
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HHL is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in IML by virtue of this Scheme, to the end and intent that such security, charges, hypothecation and mortgage shall not extend or be deemed to extend to any of the other assets of HHL or any of the assets of IML, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of IML shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages to the end and intent that such securities, charges, hypothecation and mortgages shall not extend or be deemed to extend, to any of other assets of the Demerged Undertaking vested in HHL. Notwithstanding anything contrary provided in this Scheme, it is clarified that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by HHL in relation to the Demerged Undertaking which shall vest in IML by virtue of the vesting of the Demerged Undertaking with IML and IML shall not be obliged to create any further or additional security therefore after the demerger has become operative.

8.15. All the loans, advances, credits, overdraft and other facilities sanctioned to HHL in relation to the Demerged Undertaking by its bankers, financial institutions and any third party as on the Appointed Date, whether utilised, partly drawn or unutilised shall be deemed to be the loans and advances sanctioned to IML and the said loans, advances and other facilities can be drawn and utilised either partly or fully by HHL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by HHL in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to IML and all the obligations of HHL in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of IML without any further act or deed on the part of IML.

8.16. All existing and future incentives (including any profit linked deductions), unavailed credits and exemptions, benefit of carried forward losses, refunds available and other

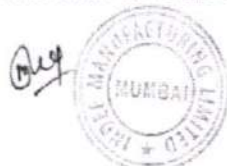


statutory benefits, including in respect of income tax (including tax deducted at source, tax collected at source and advance tax), excise (including MODVAT/ CENVAT), customs, VAT, sales tax, service tax (including input credit), goods and services tax etc. which the Demerged Undertaking of the Demerged Company is entitled to shall be available to and vest in Resulting Company;

8.17. In so far as the various incentives (including any profit linked deductions), subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and services tax and other incentives, including any profit linked deductions), granted by any Government body, local authority or by any other person and availed of by the Demerged Undertaking of the Demerged Company, the same shall vest with and be available to the Resulting Company on the same terms and conditions as presently available to the Demerged Company.

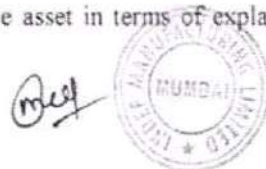
8.18. Upon coming into effect of this Scheme and as per the provisions of Section 72A (4) and other applicable provisions of the Income Tax Act, 1961, all accumulated tax losses, if any and unabsorbed depreciation, if any of HHL as pertaining to the Demerged Undertaking shall be transferred to IML.

8.19. All taxes, including, income-tax, tax on book profits, Service Tax, Value Added Tax, Goods and Service Tax etc. paid or payable by HHL in respect of the operations and/ or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of HHL and, in so far as it relates to the tax payment (including, without limitation, income tax, tax on book profits, value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by IML in respect of the profits of activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by IML and shall, in all proceedings, be dealt with accordingly. Upon the Scheme becoming effective, pursuant to the provisions of this Scheme, HHL is expressly permitted to revise their returns and IML is expressly permitted to file its income tax return including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns goods and service tax returns and other tax returns and to claim refunds/credits. Further, HHL and IML shall have the right to revise their respective



financial statements, returns and related withholding tax certificates (including withholding tax certificates relating to transactions between HHL and IML along with prescribed forms, filings and annexures under the Income Tax Act, 1961, Central Sales tax, applicable state Value Added Tax, Service Tax laws, Excise Duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including Minimum Alternate Tax, taxes deducted at source, Wealth Tax, etc.) and for matters incidental thereto, if required.

- 8.20. Any refund, under the Income Tax Act, 1961, Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax, service tax laws, excise duty laws, Central Sales Tax, applicable State Value Added Tax laws or other applicable laws / regulations dealing with taxes/ duties/ levies due to HHL in relation to the Demerged Undertaking consequent to the assessment made on IML (including any refund for which no credit is taken in the accounts of IML) as on the date immediately preceding the Appointed Date shall also belong to and be received by IML, upon this Scheme becoming effective.
- 8.21. Any tax liabilities under the Income Tax Act, 1961, Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax, service tax laws, excise duty laws, Central Sales Tax, applicable state Value Added Tax laws or other applicable laws/regulations dealing with taxes/ duties/ levies of HHL in relation to the Demerged Undertaking to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to IML.
- 8.22. All intangible assets brand names, trademark, tradenames, trained workforce, trade secrets, research, studies, work force, technical know how and all such other industrial or intellectual property rights of whatsoever in nature, whether registered or unregistered, and all rights of commercial nature including goodwill, title, interest, quality certifications and approvals, forming a part of the Demerged Undertaking, belonging to but not recorded in the books of account of HHL and all intangible assets relating to the Demerged Undertaking arising or recorded in the process of the demerger, if any, that gets transferred in books of account of IML shall, for all purposes, be regarded as an intangible asset in terms of explanation 3(b) to Section



32(1) of the Income Tax Act, 1961 and IML shall be eligible for depreciation thereunder at the prescribed rates.

8.23. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of HHL pertaining to the Demerged Undertaking after the Effective Date shall be accepted by the bankers of IML and credited to the account of IML, if presented by IML. Similarly, the banker of IML shall honour all cheques issued by HHL pertaining to the Demerged Undertaking for payment after the Effective Date. If required, HHL shall allow maintaining of bank accounts in the name of HHL by IML for such time as may be determined to be necessary by HHL and IML for presentation and deposition of cheques and pay orders that have been issued in the name of HHL in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against HHL in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of HHL pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, IML after the coming into effect of the Scheme.

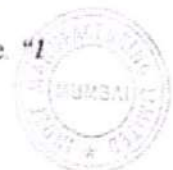
8.24. Pursuant to the order of the Tribunal, IML shall file the relevant notifications and communications in relation to assignment, transfer, cancellation, modification, or encumbrance of any license/ certificate and any other registration including but not limited to Central Goods and Services Tax, State Goods and Services Tax, Integrated Goods and Service Tax, VAT, CST, Excise, Service Tax, Income Tax, IEC Code, ESJ, Company Registration Number, PF, etc. if any, for the record of the appropriate authorities, which shall take them on record.

9. CONSIDERATION

9.1. Upon the Scheme coming into effect, in consideration of the demerger of the Demerged Undertaking into IML pursuant to provisions of this Scheme, and without any further application, act, deed payment, consent acts, instruments or deed, IML will issue and allot fully paid-up equity shares of Rs. 1 each (the "New Shares") to shareholders of HHL in accordance with the terms of the Scheme. The New Shares will be issued by IML to such equity shareholders of HHL whose names are recorded in the register of members of HHL as on the Record Date in the ratio of 1:1, i.e. "1



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(One) equity share of IML of Face Value of INR 1 each fully paid up shall be issued for every 1 (One) equity share of Face Value of INR 1 each fully paid up held in HHL."

- 9.2. The shares issued pursuant to the provisions of the Scheme as per clause 9.1 ("New Shares"), shall be issued to the shareholders of the Demerged Company in Demat form, unless otherwise notified in writing by a shareholder(s) of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Resulting Company. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholder(s) of the Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholder(s) of the Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.
- 9.3. The Board of Directors of IML shall consolidate all fractional entitlements, if any.
- 9.4. The New Shares, to be issued and allotted by IML, in terms of the Scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of IML. The New Shares, to be issued and allotted, shall rank pari-passu in all respects with the existing shares of IML, including in respect of dividends, if any, that may be declared by IML, on or after the Effective Date.
- 9.5. The issue and allotment of the New Shares in IML to the shareholders of HHL as provided in the Scheme shall be carried out and the same would not require following of the procedure laid down under Sections 42 and 62 of the Companies Act, 2013 and any other applicable provisions of the relevant Act.



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- 9.6. Upon the Scheme being effective and on allotment of New Shares by the Resulting Company, the shares held in Resulting Company by the Demerged Company shall stand automatically cancelled without any further act or deed. Further, it is clarified that no shares will be issued for the shares that are held by the Demerged Company in Resulting Company.
- 9.7. The new shares to be issued and allotted by the Resulting Company in terms of clause 9 of this Scheme shall be listed and shall be admitted for trading on the Stock Exchanges. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of Applicable Laws, including, as applicable, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circulars. The Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges.
- 9.8. IML, shall, to the extent required, increase and reclassify its authorised share capital in order to facilitate and issue the New Shares under this Scheme prior to the allotment of New Shares.
- 9.9. The New Shares to be issued by the Resulting Company pursuant to Clause 9.1 above in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Resulting Company.”

10. REMAINING UNDERTAKING OF THE DEMERGED COMPANY

- 10.1. The Remaining Undertaking shall continue with HHL.
- 10.2. The Remaining Undertaking and all the assets, liabilities incentives, rights and obligations pertaining thereto shall continue to belong to, be vested in and be managed by HHL.
- 10.3. All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company;



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- 10.4. All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.
- 10.5. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-Judicial authority or tribunal), by or against HHL under any statute, whether pending as on the Appointed Date or which may be instituted at any time thereafter, and in each case, relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Remaining Undertaking), shall be continued and enforced by or against HHL after the Effective Date.
- 10.6. With effect from the Appointed Date and up to and including the Effective Date:
- 10.6.1. HHL shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf,
- 10.6.2. HHL / The Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business and
- 10.6.3. all profits accruing to HHL thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of HHL.

11. REDUCTION OF SHARE CAPITAL OF THE RESULTING COMPANY

Simultaneously, with the issue and allotment of the New Shares by the Resulting Company to the equity shareholders of the Demerged Company in accordance with Clause 9 above of this Scheme, in the books of the Resulting Company, all the equity shares held by the Demerged Company in the Resulting Company shall stand cancelled, extinguished and annulled on and from the Effective Date, without any further act, instrument or deed. Such cancellation of the share capital of the Resulting Company shall be effected as a part of the Scheme itself. The order of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction and no separate sanction under Section 66 of the Act shall be necessary.



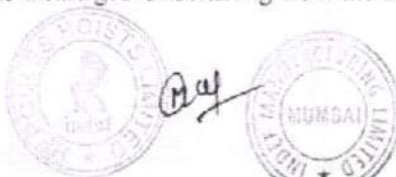
PART IVACCOUNTING TREATMENT12. ACCOUNTING TREATMENT IN BOOKS OF HHL

Upon the Scheme becoming effective and with effect from the Appointed Date, the transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company shall be accounted in the financial statements of the Demerged Company as per the accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, in the following manner:

- 12.1. The assets, liabilities and reserves pertaining to the Demerged Undertaking of the Demerged Company being transferred to the Resulting Company, shall be, at values appearing in the books of account of the Demerged Company as on the Appointed Date.
- 12.2. Any inter-company balance(s), debts, borrowings (secured or unsecured), if any between the Demerged Company, in respect of the Demerged Undertaking, and the Resulting Company, shall stand cancelled and corresponding effect shall be given in the books of account and the records of the Demerged Company for the reduction of any assets or liabilities, as the case may be. There would be no accrual of interest or other charges and there shall be no obligation/outstanding in that behalf in respect of any such intercompany loans, debt, securities or balances with effect from the Appointed Date.
- 12.3. The excess / deficit of assets over liabilities of the Demerged Undertaking transferred pursuant to Clauses 12.1 and 12.2 above and the cancellation of investment in the equity shares held by the Demerged Company in the paid-up share capital of the Resulting Company as per clause 11 above, shall be adjusted against Reserves.

13. ACCOUNTING TREATMENT IN THE BOOKS OF IML

Upon the Scheme becoming effective and with effect from the Appointed Date, the transfer and vesting of the Demerged Undertaking from the Demerged Company into



the Resulting Company shall be accounted in the financial statements of the Resulting Company as per the accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, in the following manner:

- 13.1. The Resulting Company shall record the assets, liabilities and reserves pertaining to the Demerged Undertaking of the Demerged Company being transferred to the Resulting Company at values appearing in the books of account of the Demerged Company as on the Appointed Date.
- 13.2. Any inter-company balance(s), debts, borrowings (secured or unsecured), if any between the Demerged Company, in respect of the Demerged Undertaking and the Resulting Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of the Resulting Company for the reduction of any assets or liabilities, as the case may be. There would be no accrual of interest or other charges and there shall be no obligation/outstanding in that behalf in respect of any such intercompany loans, debt, securities or balances with effect from the Appointed Date.
- 13.3. The Resulting Company shall credit to the Equity Share Capital Account in its books of accounts, the aggregate face value of the New Shares issued and allotted to the equity shareholders of the Demerged Company as per Clause 9 above.
- 13.4. The excess / deficit of assets over liabilities recorded in the books of Resulting Company as per the Clauses 13.1 and 13.2 and the value of share issued as per the Clause 13.3 above shall be adjusted against Goodwill / Capital Reserves.
- 13.5. Upon the Scheme being effective, the existing shareholding of the Demerged Company in the Resulting Company shall stand cancelled as per clause 11 above. Upon cancellation, the Resulting Company shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by the Demerged Company in the Resulting Company, which stands cancelled and the same shall be credited to the General Reserve of the Resulting Company.



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PART VGENERAL CLAUSES14. STAFF, WORKMAN AND EMPLOYEES

14.1. On the Scheme coming into effect, all the staff, Workmen and employees of the Demerged Company engaged in the Demerged Undertaking in service on such date shall be deemed to have become staff, workmen and employees of IML with effect from the Effective Date without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with HHL shall not be less favourable than those applicable to them with reference to the Demerged Undertaking on the Effective Date. The position, rank and designation of the employees would however be decided by IML.

14.2. In so far as the Provident Fund, Gratuity Fund or any other Special Fund created or existing for the benefit of the staff, workmen and employees of the Demerged Undertaking are concerned, upon the Scheme coming into effect, IML shall stand substituted for HHL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of HHL in relation to such Fund or Funds shall become those of IML, respectively, and all the rights, duties and benefits of the staff, workmen and employees employed in the Demerged Undertaking under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Demerged Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

14.3. The accumulated balances, if any, standing to the credit of the employees of the Demerged Undertaking in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members, will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by the Resulting Company and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognized by the concerned



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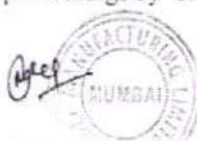
authorities by the Resulting Company. Pending the transfer as aforesaid, the dues of the employees of Demerged Undertaking relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

15. CONTRACT DEEDS AND STATUTORY CONSENTS

- 15.1. Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements (including any power purchase agreement, powers supply agreement etc.), arrangements and other instruments of whatsoever nature relating to the Demerged Undertaking which are subsisting or having effect immediately before the Effective Date shall be in full force against or in favour of IML respectively, and may be enforced as fully and effectively as if, instead of HHL, IML, had been a party or beneficiary thereto. IML shall, if necessary, to give formal effect to this Clause, enter into and / or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which HHL is a party.
- 15.2. IML shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government or any other agency, department or other authorities concerned as may be necessary under law, for such consents, approvals and sanctions which IML, respectively, may require to own and operate the Demerged Undertaking.
- 15.3. IML may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novation, declarations or other documents with, or in favour of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. IML shall be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Demerged Company.

16. SAVING OF CONCLUDED TRANSACTIONS:

The transfer and vesting of the properties and liabilities of the Demerged Undertaking under Clause 8 above, the continuance of the proceedings by or against the Resulting Company



under Clause 17 below and the effectiveness of contracts and deeds under this Clause 17 shall not affect any transaction or proceeding relating to the Demerged Undertaking already completed by the Demerged Company on or before the Effective Date to the end and intent that the Resulting Company accepts all acts, deeds and things relating to the Demerged Undertaking 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.

17. LEGAL PROCEEDINGS

17.1. If any legal, taxation or other proceedings of whatever nature, whether civil or criminal (including before any statutory or quasi judicial authority or tribunal) (the "Proceedings") by or against HHL in relation to the Demerged Undertaking is pending/ arising at the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against IML, in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against HHL as if the Scheme had not been made. On and from the Effective Date, IML, as the case may be, shall and may initiate any legal proceedings for and on behalf of the Demerged Undertaking.

17.2. It is clarified that after the Appointed Date, in case the Proceedings referred above with respect to the Demerged Undertaking of HHL, cannot be transferred for any reason, HHL shall prosecute or defend the same at the cost of and in consultation with IML, and IML shall reimburse, indemnify and hold harmless HHL against all liabilities and obligations incurred by HHL in respect thereof.

17.3. In the event that the Proceedings referred to above, require HHL and IML to be jointly treated as parties thereto, IML shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with HHL.

17.4. Pending the sanction of the Scheme, HHL in relation to the Demerged Undertaking shall, in consultation with IML, continue to prosecute, enforce or defend, the proceedings, whether pending or initiated pending the sanction of the Scheme.



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18. CONDUCT BUSINESS TILL EFFECTIVE DATE

18.1. With effect from the Appointed Date and up to the Effective Date:

18.1.1. HHL shall carry on their businesses and activities in the normal course of business till the vesting of the Demerged Undertaking on the sanction of the Scheme by the Tribunal, and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the assets of the Demerged Undertaking for and an account of and in trust for IML and, the Demerged Company shall not (without the prior written consent of the Resulting Company) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business

18.1.2. All income or profit/benefit accruing or arising to the Demerged Company, in respect of the Demerged Undertaking, and all costs, charges, expenses and losses (including brought forward losses, book losses, etc.) or taxes (including but not limited to advance tax, tax deducted at source, tax collected at source, goods and services tax, minimum alternative tax, credit, taxes withheld, etc.), incurred by the Demerged Company, in respect of the Demerged Undertaking, shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Resulting Company and shall be available to the Resulting Company for being disposed off in any manner as it thinks fit.

18.1.3. HHL shall not vary the material terms and conditions of any agreements or contracts in relation to the Demerged Undertaking without consent of/ intimation to IML,

18.1.4 HHL shall carry on its business and activities with reasonable diligence and business prudence,

18.1.5 HHL and IML shall be entitled, pending sanction of the Scheme to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules for such consents, approval and sanctions, which may be required in relation to the Scheme;

18.1.6. All the taxes of HHL in relation to the Demerged Undertaking paid or payable by HHL shall be deemed to be taxes paid or payable (as the case may be) by IML,



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18.1.7. With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Demerged Company, in respect of the Demerged Undertaking;

18.1.8. The Demerged Company shall continue to comply with the provisions of the Act, including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance; and

18.1.9. HHL shall, with intimation to IML, take major decisions in respect of its assets and liabilities of those pertaining to the Demerged Undertaking and their present capital structures.

19. RATIFICATION

Except as provided in the Clauses above, IML, shall accept all acts, deeds and things relating to the Demerged Undertaking, respectively done and executed by and/or on behalf of HHL on and after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of IML, as the case may be.

20. DIVIDEND, PROFIT, BONUS, RIGHT SHARES

At any time up to the Effective Date, HHL shall not declare dividend, distribute profits or issue or allot any right shares or bonus shares or any other security converting into equity shares or other share capital or obtain any other financial assistance converting into equity shares or other share capital, unless agreed to by the Board of Directors of IML.

PART VI

GENERAL TERMS AND CONDITIONS

21. COMPLIANCE WITH TAX LAWS

21.1. This Scheme has been drawn up to comply with the conditions as specified under Section 2(19AA) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961 involving demerger as aforesaid. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the



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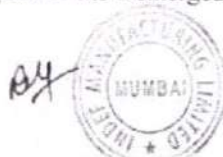


Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961.

21.2. On or after the Effective Date, the Demerged Company and the Resulting Company are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexure under the Income-tax Act, 1961, (including for the purpose of re-computing tax on book profits and claiming other tax benefits), service tax law, goods and services tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits, etc., and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.

21.3. All taxes/ credits including income-tax, tax on book profits, credit on Minimum Alternate Tax under section 115JAA of the Income-tax Act, 1961, sales tax, excise duty, custom duty, service tax, value added tax, goods and services tax or any other direct or indirect taxes as may be applicable, etc. paid or payable by the Demerged Company, in respect of the Demerged Undertaking, in respect of the operations and/ or the profits of the undertaking before the Appointed Date, shall be on account of the Demerged Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax, goods and services tax etc.) whether by way of deduction at source, advance tax, MAT credit or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source, tax collected at source by the Demerged Company/ Resulting Company in respect of the Demerged Undertaking on payables to the Resulting Company/ the Demerged Company respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

21.4. Obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company, in respect of the Demerged Undertaking, under the Income-



tax Act, 1961, service tax laws, customs law, state value added tax, Goods and Services tax laws or other Applicable Laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Resulting Company

21.5. Without prejudice to the generality of the above, all benefits, incentives (including any profit linked deductions), losses, credits (including, without limitation income tax, tax on book profits, service tax, applicable state value added tax, goods and services tax etc.) to which the Demerged Company, in respect of Demerged Undertaking, are entitled to in terms of Applicable Laws, shall be available to and vest in the Resulting Company

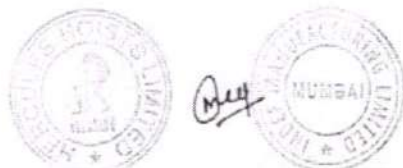
21.6. Upon this Scheme becoming effective and from the Appointed Date, the Resulting Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, goods and services tax, excise tax returns, sales tax and value added tax returns, as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

22. APPLICATION TO THE TRIBUNAL

HHL and IML shall, with all reasonable despatch, make applications/petitions (either jointly or severally as may be advised) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the relevant Act to the Tribunal, for sanctioning of this Scheme and all matters ancillary or incidental thereto.

23. MODIFICATIONS / AMENDMENTS TO THE SCHEME

23.1. Upon prior approval from the Tribunal, HHL and IML, (by their respective Board of Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme (including but not limited to the terms and conditions thereof) or any conditions or limitations which the Tribunal, or any authorities under the law may deem fit to approve or impose and to resolve any doubt



or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

23.2. For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of HHL and IML or any person authorised in that behalf by the concerned Board of Directors, may give and is/are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

24. CONDITIONALITY OF THE SCHEME

24.1. This Scheme is specifically conditional upon and subject to:

24.1.1. The approval of the Scheme by the requisite majority of the respective members and such class of persons of HHL and IML as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Tribunal in this respect;

24.1.2. Receipt of approvals of the relevant Stock Exchanges where the equity shares of the Demerged Company are listed and traded, and SEBI in terms of applicable provisions of SEBI Circular as more particularly defined in clause 4.17.

24.1.3. Sanction of the Tribunal, being obtained under Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the relevant Act, if so required on behalf of HHL and IML; and

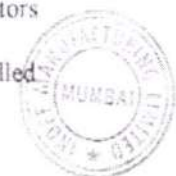
24.1.4. All other sanctions and approvals as may be required by law or otherwise may be necessary for the implementation of this Scheme (if applicable).

25. REVOCATION OF THE SCHEME

25.1. In the event of any of the said sanction and approval referred to in the preceding Clauses 19 and 20 above not being obtained and/or the Scheme not being sanctioned by the Tribunal and/or the Order(s) not being passed as aforesaid within three hundred and sixty five (365) days from the date of filing of the Company Applications with the Tribunal, or within such further period(s) as may be agreed upon from time to time between HHL and IML (through their respective Board of Directors), or in any event at any time and for any reason with the mutual consent of the Board of Directors of both, HHL and the Resulting Company, this Scheme shall stand revoked, cancelled



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and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between HHL and IML, or their respective shareholders or employees or any other persons, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation 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 this Scheme and or otherwise arise as per Law. For the purpose of giving full effect to this Scheme, the respective Board of Directors of the HHL and IML, are hereby empowered and authorised to agree to and, extend the aforesaid period from time to time without any limitations in exercise of their power through and by their respective delegates

25.2 The Board of Directors of HHL and IML, shall be entitled to revoke, cancel and declare the Scheme of no effect if such Boards of Directors of HHL and IML are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up/certified/authenticated orders with any authority could have adverse implication on all/ any of the companies or in case any condition or alteration imposed by the Tribunal or any other authority is not on terms acceptable to them.

25.3. If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

26. COST, CHARGES AND EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and any other expenses in relation to or in connection with or incidental to this Scheme shall be borne by HHL.



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Certified True Copy _____
Date of Application 16/08/2024
Number of Pages 38
Fee Paid Rs. 190/-
Applicant called for collection copy on 03/9/24
Copy prepared on 03/9/2024
Copy issued on 03/9/2024


03/09/2024
Deputy Registrar

National Company Law Tribunal, Mumbai Bench