



April 19, 2024

To,
Listing Department
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrp Symbol: HONASA

To,
Listing Department
BSE LIMITED
P. J. Towers, Dalal Street,
Mumbai – 400 001
Scrp Code: 544014

Dear Sir / Madam,

Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Ma'am,

The Board of Directors of the Company, at its meeting held today i.e. on April 19, 2024 considered and approved the scheme of amalgamation (“**Scheme**”) pursuant to sections 230 to 232 and other relevant provisions of the Companies Act, 2013, providing for the amalgamation of wholly owned subsidiaries of Honasa Consumer Limited namely, Fusion Cosmeceutics Private Limited (“**Transferor Company-1**”) and Just4Kids Services Private Limited (“**Transferor Company-2**”) into and with Honasa Consumer Limited (“**Transferee Company**”).

Furthermore, it is also to be noted that the proposed Scheme provides for the amendment of the Capital and Object Clauses of the Memorandum of Association of Transferee Company consequent to the merger and amalgamation of the Transferor Company-1 and Transferor Company-2 into and with the Transferee Company, with effect from the Appointed Date and upon the Scheme becoming effective.

The Scheme is subject to necessary statutory and regulatory approvals under applicable laws, including approval of the Hon'ble National Company Law Tribunal, New Delhi Bench, New Delhi (“**NCLT, New Delhi**”) and the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh (“**NCLT, Chandigarh**”).

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with (i) Circular No. CIR/CFD/CMD/4/2015 dated 09th September 2015; and (ii) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017, please find enclosed the disclosure and a copy of the Draft Scheme, for your records.

Honasa Consumer Limited

Registered Office: Unit No - 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka New Delhi 110075

Corporate Office: 10th Floor, Capital Cyberscape, Ullahwas, Sector-59, Gurugram, Haryana - 122102

Email: info@mamaearth.in; Phone: 0124 - 4880828 | Website: www.honasa.in

| CIN: U74999DL2016PLC306016 |



This is for your information and records.

Thank You,

Yours Sincerely,

For **Honasa Consumer Limited**

Dhanraj Dagar

Company Secretary & Compliance Officer

Mem. No. A33308

Encl:

1. Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Copy of the Scheme of Amalgamation as approved by the Board of Directors of the Company.

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| CIN: U74999DL2016PLC306016 |



Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

| S. No. | Particulars | Description |
|--------|--|---|
| 1. | Name of the entity(ies) involved in the amalgamation/merger. | <p>The scheme of amalgamation provides for amalgamation amongst Fusion Cosmeceutics Private Limited (Transferor Company-1) (CIN - U24230DL2003PTC423473), Just4Kids Services Private Limited (Transferor Company-2) (CIN - U80302HR2010PTC107239) and Honasa Consumer Limited (Transferee Company) (CIN - U74999DL2016PLC306016).</p> <p>Fusion Cosmeceutics Private Limited (Transferor Company-1) and Just4Kids Services Private Limited (Transferor Company-2) are wholly owned subsidiaries of Honasa Consumer Limited (Transferee Company).</p> |
| 2. | Area of business of the entity(ies) | <p>Fusion Cosmeceutics Private Limited, Just4Kids Services Private Limited and Honasa Consumer Limited are engaged in the business as detailed here in below:</p> <p>i. Fusion Cosmeceutics Private Limited:</p> <p>The company is primarily engaged in formulation and trading of skin care products.</p> <p>ii. Just4Kids Services Private Limited:</p> <p>The company is primarily engaged in the operation and maintenance of a multilingual content platform.</p> <p>iii. Honasa Consumer Limited:</p> <p>The company is a public listed Company and is primarily engaged in the business of trading of a variety of beauty and personal care products such as baby care, skin care and other related products which are manufactured through third-party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co.', 'BBlunt', 'Aqualogica', and 'Ayuga'.</p> |

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| S. No. | Particulars | Description | | | | | | | | | | | | | | | |
|-------------------------------------|--|--|-----------------|--|--|-------------|-----------|--------------------|-------------------------------------|----------|---------|------------------------------------|---------|--------|-------------------------|-------------|-------------|
| 3. | Net Worth and Standalone Revenues of the concerned entity(ies) | <p>Please see below the brief details of the net worth of the concerned Companies as on 31st December 2023:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: right;">Amount INR Lacs</th> </tr> <tr> <th>Particulars</th> <th>Net worth</th> <th>Standalone Revenue</th> </tr> </thead> <tbody> <tr> <td>Fusion Cosmeceutics Private Limited</td> <td style="text-align: right;">-1513.63</td> <td style="text-align: right;">7661.71</td> </tr> <tr> <td>Just4Kids Services Private Limited</td> <td style="text-align: right;">2083.70</td> <td style="text-align: right;">405.04</td> </tr> <tr> <td>Honasa Consumer Limited</td> <td style="text-align: right;">1,09,023.28</td> <td style="text-align: right;">1,33,722.20</td> </tr> </tbody> </table> | Amount INR Lacs | | | Particulars | Net worth | Standalone Revenue | Fusion Cosmeceutics Private Limited | -1513.63 | 7661.71 | Just4Kids Services Private Limited | 2083.70 | 405.04 | Honasa Consumer Limited | 1,09,023.28 | 1,33,722.20 |
| Amount INR Lacs | | | | | | | | | | | | | | | | | |
| Particulars | Net worth | Standalone Revenue | | | | | | | | | | | | | | | |
| Fusion Cosmeceutics Private Limited | -1513.63 | 7661.71 | | | | | | | | | | | | | | | |
| Just4Kids Services Private Limited | 2083.70 | 405.04 | | | | | | | | | | | | | | | |
| Honasa Consumer Limited | 1,09,023.28 | 1,33,722.20 | | | | | | | | | | | | | | | |
| 4. | Rationale for the amalgamation/ merger | <p>The proposed Scheme would, inter-alia, have the following benefits:</p> <p>(a) Prevent cost duplication and bring in financial efficiencies of a holding structure. The resultant operations are expected to be substantially cost-efficient which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.</p> <p>(b) Eliminate layered structures and reduce managerial overlap;</p> <p>(c) Contribute in furthering and fulfilling the objectives and business strategies of all the companies thereby accelerating growth, expansion, greater access to different market segments and development of the respective businesses;</p> <p>(d) Bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control; and</p> | | | | | | | | | | | | | | | |

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| S. No. | Particulars | Description |
|--------|---|--|
| | | (e) Greater efficiency in cash management of the Transferee Company, an unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value. |
| 5. | Consideration under the amalgamation/merger | Transferor Company-1 and Transferor Company-2 are the wholly owned subsidiaries of the Transferee Company, therefore, there would be no issue of shares by the Transferee Company in consideration of the amalgamation. Consequently, upon the Scheme coming into effect, the entire paid-up share capital in Transferor Company-1 and Transferor Company-2, fully held by Transferee Company, shall stand extinguished and cancelled. |
| 6. | Whether the transaction would fall within related party transactions? | <p>As the proposed Scheme involves amalgamation of the Transferor Company-1 and Transferor Company-2 and are wholly owned subsidiaries of the Transferee Company. Therefore, it is exempted as per Regulation 23(5)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>Furthermore, in accordance with the General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs, transactions resulting from compromises, arrangements, and amalgamations under the Companies Act, 2013, are not subject to the requirements of Section 188 of Companies Act, 2013.</p> |
| 7. | Details of change in shareholding pattern (if any) | In terms of Paragraph 4(d)(ii) of the Circular bearing no. CFD/DIL3/CIR/2017/21 dated 10 th March 2017 issued by Securities and Exchange Board of India, in case of a wholly owned subsidiary merging with its parent listed company, where the shareholders and the shareholding of the parent listed company remains the same, it shall be treated as 'no change in shareholding pattern'. |

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| S. No. | Particulars | Description |
|--------|-------------|---|
| | | Therefore, since there will be no fresh issue of shares by the Transferee Company, there will be no change in the shareholding pattern of the Transferee Company pursuant to the proposed Scheme. |

For **Honasa Consumer Limited**

Dhanraj Dagar
Company Secretary & Compliance Officer
Mem. No. A33308

Honasa Consumer Limited

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SCHEME OF AMALGAMATION

AMONGST

**FUSION COSMECEUTICS PRIVATE LIMITED
(TRANSFEROR COMPANY-1)**

AND

**JUST4KIDS SERVICES PRIVATE LIMITED
(TRANSFEROR COMPANY-2)**

AND

**HONASA CONSUMER LIMITED
(TRANSFeree COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013)**

TABLE OF CONTENTS

PREAMBLE

- A. Overview of the Scheme of Amalgamation**
- B. Description of Companies**
- C. Objects and Rationale for the Proposed Scheme**
- D. Parts of the Scheme**

PART-I: DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

- 1. Definitions**
- 2. Interpretation**
- 3. Date of Taking Effect and Operative Date**
- 4. Share Capital**
- 5. Compliance with Tax Laws**

PART-II: AMALGAMATION, TRANSFER AND VESTING OF THE BUSINESS AND UNDERTAKING OF TRANSFEROR COMPANY-1 AND TRANSFEROR COMPANY-2 WITH TRANSFEREE COMPANY.

- 6. Transfer and Vesting of the Business and Undertaking of Transferor Company-1 [Fusion Cosmeceutics Private Limited] and Transferor Company-2 [Just4Kids Services Private Limited] with Transferee Company [Honasa Consumer Limited].**
- 7. Conduct of Business by the Transferor Company-1 and Transferor Company-2**
- 8. Consideration**
- 9. Combination of the Authorized Share Capital and Amendment of Memorandum of Association of Transferee Company**
- 10. Accounting Treatment**
- 11. Saving of Concluded Transactions**
- 12. Dissolution of Transferor Company-1 and Transferor Company-2**

PART-III: GENERAL TERMS AND CONDITIONS

- 13. Provisions Applicable to the Scheme**
- 14. Application to Tribunal**
- 15. Listing Agreement and SEBI Compliances**
- 16. Conditionality of the Scheme**
- 17. Modification or Amendments to the Scheme**
- 18. Revocation or Withdrawal of the Scheme**

- 19. Severability**
- 20. Costs, Charges and Expenses**
- 21. Miscellaneous**

PREAMBLE

A. Overview of the Scheme of Amalgamation

- i. This Scheme of Amalgamation (hereinafter referred to as the “**Scheme**”) provides merger and amalgamation of the entire Business and Undertaking of Fusion Cosmeceutics Private Limited (“**Transferor Company-1**”) and Just4Kids Services Private Limited (“**Transferor Company-2**”) into and with Honasa Consumer Limited (“**Transferee Company**”), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Rule 18 and other applicable provisions of the Rules and Section 2(1B) of the Income-tax, Act 1961 as applicable for the amalgamation.
- ii. The Transferor Companies and the Transferee Company are companies within the same group inasmuch as both Transferor Company-1 and Transferor Company-2 are the wholly owned subsidiaries of the Transferee Company since the Transferee Company along with its nominees holds the entire share capital of both Transferor Company-1 and Transferor Company-2.
- iii. At the time of completion of the Scheme, the Transferee Company shall not issue any shares under the Scheme. The existing shareholding of the Transferee Company in Transferor Company-1 and Transferor Company-2 shall get cancelled and extinguished, pursuant to this Scheme.
- iv. Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

B. Description of Companies

- i. Fusion Cosmeceutics Private Limited or Transferor Company-1 is a private limited company bearing CIN - U24230DL2003PTC423473 and incorporated on 30th June, 2003 under the provisions of the Companies Act, 1956. Currently, its registered office is situated at Unit 404, 4th Floor, City Centre, Plot No 05, Sector 12, Dwarka, New

Delhi - 110075. The Transferor Company-1 is a wholly owned subsidiary of the Transferee Company as on the date of approval of this Scheme. The Transferor Company-1 is presently engaged in formulation and trading of skin care products. The Permanent Account Number of Transferor Company-1 is AAACF8299H.

The main objects of Transferor Company-1 as provided in Clause III (A) of its Memorandum of Association are as under:

“To carry on the business to manufacture, get manufactured, brand, co-brand, prepare, pack, have packed, import, export, buy, sell, supply, distribute, indent, store, stock, maintain and otherwise handle, deal in and carry on business in all kinds and varieties of cosmetics, hair and skin products, toiletries, soaps, health, home and beauty care products, nutritional supplements, lotions, ointments, foods, beverages, medicines, vitamins, drugs, mixtures, formulations, capsules, tablets, pills powders, syrups, liquids, oils, herbs and herbal products including herbal teas, minerals, extracts, tinctures, suspensions, and all preparations in the system of Allopathy, Ayurveda, Homeopathy, Aroma Therapy, Flower Remedies, Unani, Naturopathy and all other therapies and related products and by-products.”.

- ii. Just4Kids Services Private Limited or Transferor Company-2 is a private limited company bearing CIN - U80302HR2010PTC107239 and incorporated on 3rd June 2010 under the provisions of the Companies Act, 1956. Currently its registered office is situated at 10th and 11th floor, Capital Cyberscape, Ullahwas, Sector 59, Gurgaon, Haryana – 122102. The Transferor Company-2 is a wholly owned subsidiary of the Transferee Company as on the date of approval of this Scheme. The Transferor Company-2 is presently engaged in the operation and maintenance of a multilingual content platform. The Permanent Account Number of Transferor Company-2 is AACCCJ4055B.

The main objects of Transferor Company-2 as provided in Clause III (A) of its Memorandum of Association are as under:

1. *“To carry on the business so as to provide information, as directory cum information service provider to primarily, though not exclusively, parents for their kids growth and development, on all types of facilities and hyper-locally available platforms, including internet, mobile internet, call-centre, sms, magazines and newsletters in India and abroad. These local services and facilities include information on:
a) All kinds of creches, play schools, schools, hobby classes, other educational institutes, sports facilities and coaching centres, pediatrician, health and wellness, leisure activities, vacation and holiday trip agencies, kids toy shops and all other ancillary and incidental activities necessary for the holistic growth and development of kids.*
2. *To provide all the above-mentioned services in-house so as to provide holistic development support for all age groups of kids in India and abroad.*
3. *To build & provide products and solutions for businesses primarily, though not exclusively, targeting parents for kids-related services in India and abroad. To create, operate, maintain and manage web-portal/s, software, social internet based platform, press to enable buying, selling, advertising and marketing, PR and communications, promotion and delivery/distribution of all kinds of services related primarily, though not exclusively, to kids.*
4. *To be a franchisee, dealer, distributor or to appoint sole selling agents, franchisees, distributors, reseller etc. and to provide services in India or outside India for services related to kids.*
5. *To provide on-ground event management services for businesses/institutions targeting parents/kids in India and abroad.*
6. *To provide consultancy and advisory services to brands and businesses targeting the kids segment in India and abroad.*

7. *To aggregate, represent, market and generate sponsorships for kids-related events, media and marketing properties to companies and brands targeting kids/parents in India and abroad.*
8. *To conceptualize, execute, promote and sell tickets with respect to events related to parents and kids in India and abroad.”*

iii. Honasa Consumer Limited or the Transferee Company is a listed public company bearing CIN - U74999DL2016PLC306016 and incorporated on 16th September, 2016 under the provisions of the Companies Act, 2013. The shares of the Transferee Company are listed on the Bombay Stock Exchange and National Stock Exchange. The Transferee Company was previously incorporated as a private limited company under the name of “Honasa Consumer Private Limited” as per the provisions of Companies Act, 2013, however with the effect from 11th November 2022, the name of Transferee Company was changed to “Honasa Consumer Limited” vide a fresh certificate of incorporation issued by the Registrar of Companies, NCT of Delhi. The Transferee Company currently has its registered office at Unit 404, 4th Floor, City Centre, Plot No 05, Sector 12, Dwarka, New Delhi - 110075. The Transferee Company is presently engaged in the business of trading of a variety of beauty and personal care products such as baby care, skin care and other related products which are manufactured through third-party contract manufacturers under the brand name of ‘Mamaearth’, ‘The Derma Co.’, ‘BBlunt’, ‘Aqualogica’, and ‘Ayuga’. The Permanent Account Number of the Transferee Company is AADCH9716L.

The main objects of Transferee Company as provided in Clause III (A) of its Memorandum of Association are as under:

1. *“To carry on the business of marketing, manufacturer of all kinds of goods, products, commodities and services as traders, wholesaler, distributors, stockiest, dealers, agents, suppliers, importers, repurchase and consultants of various items on the Company's online portals or websites as well as through e-commerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner.*

2. *To carry on the business of purchasing, selling, distributing, trading, acting as an agent, franchising, collaborating exporting, importing, merchandising, manufacturing, designing, packaging and dealing with all kinds of products, goods, commodities, merchandise, accessories and equipment's relating to, which includes but is not limited to, beauty, fitness, personal health care, skin care, hair care, diet related, home remedies, homeopathy, ayurvedic, herbal and other alternative medical or therapeutic treatments, wellness products and equipment's and any other women centric products on the Company's online portals or websites as well as through e-commerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner.”*

C. Objects and Rationale for the Proposed Scheme

- i. Pursuant to and under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the entire Business and Undertaking of each of the Transferor Companies will be merged and amalgamated into and with the Transferee Company.
- ii. The proposed scheme being undertaken with an objective to consolidate the business for effective and efficient management. Pursuant to the amalgamation, there will be no change in the control or management of the Transferor Companies. The Proposed Scheme would, *inter-alia*, have the following benefits:
 - a. Prevent cost duplication and bring in financial efficiencies. The resultant operations are expected to be substantially cost-efficient which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.
 - b. Eliminate structure and reduce managerial overlap;

- c. Contribute to furthering and fulfilling the objectives and business strategies of all the companies thereby accelerating growth, expansion, greater access to different market segments and development of the respective businesses;
 - d. Bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and also help enhance efficiency and control;
 - e. Greater efficiency in cash management of the Transferee Company, by providing access to cash flow generated by combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, working capital requirements to maximize shareholder value;
- iii. The Scheme is not opposed to public policy and shall not have any adverse effect on either the shareholders or employees or creditors of the Transferor Companies or the Transferee Company.
- iv. The Scheme has been approved by the Audit committee of Transferee Company and the respective Board of Directors of each of the Transferor Companies and the Transferee Company. Accordingly, it has been decided to make the requisite applications/ petitions before the Tribunal, Chandigarh and Tribunal New Delhi, as the case may be, for the sanction of this Scheme.
- v. The amalgamation of both Transferor Company-1 and Transferor Company-2 with the Transferee Company, pursuant to and in accordance with this Scheme shall take place with effect from the Appointed Date and shall be in accordance with section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income-tax Act, 1961 or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Tax laws shall prevail and this Scheme may be modified accordingly with consent of each of the Companies (acting through their respective Board of Directors).

D. Parts of the Scheme

The Scheme is divided in the following parts:

- i. **Part-I** provides for Definitions, Interpretation and Share Capital details of the Companies which are common to all Parts. Specific definitions (if any) have been provided in the other Parts therein;
- ii. **Part II** provides for specific provisions governing the amalgamation of the entire Business and Undertaking of Transferor Company-1 and Transferor Company-2 with Transferee Company;
- iii. **PART-III** deals with certain general terms and conditions applicable to one or more Parts of this Scheme.

PART-I: DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. Definitions

In this Scheme, unless inconsistent/ repugnant with the subject, context or meaning thereof, the following initially and/ or fully capitalized words or expressions shall have the meaning as set out herein below:

- 1.1. **“Act”** means the Companies Act, 2013 including any applicable rules and regulations made thereunder, and includes any statutory re-enactments, modifications and/ or amendments thereof from time to time and to the extent in force;
- 1.2. **“Applicable Laws”** means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;
- 1.3. **“Appointed Date”** means the date from which the provisions of this Scheme shall become operational i.e., opening of business hours on 01st April 2023 or such other date as may be assented to and approved by the Board of Directors of the Companies and approved by the Tribunal;
- 1.4. **“Appropriate Authority”** means and includes any governmental, statutory, departmental or public body or authority, including Registrar of Companies, Stock Exchanges and the Tribunal;
- 1.5. **“Board of Directors”** in relation to the each of the Transferor Companies and the Transferee Company, as the case may be, means its respective board of directors, and unless it be repugnant to the context or otherwise, shall be deemed to include every committee (including a committee of directors) or any person authorized by the board of directors or such committee of directors duly constituted and authorized, *inter alia*, for the purposes of the amalgamation, the Scheme and/ or any other matter relating thereto;

1.6. “**BSE**” means BSE Limited;

1.7. “**Business and Undertaking**” shall mean whole of the undertaking and entire business of each of the Transferor Company-1 and Transferor Company-2 as a going concern on the Appointed Date and shall include inter alia the following:

- a. all rights, titles, interests, covenants, undertakings and liabilities including rights, titles and interests continuing in connection with the immovable properties, and buildings, whether freehold, leasehold or otherwise;
- b. all property, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, including all movable assets, fixed assets, plant and machinery, office equipment, computers, computer software products, data processing and communication equipment and facilities, lines and links, switches and routers, servers, telephones, telexes, facsimile connections, equipment, apparatus, installations, utilities, generators and air conditioners, electricity, water and other service connections, furniture and fixtures, all resources, utilities and facilities, vehicles, work-in-progress including capital work in progress, whether owned, leased or otherwise;
- c. all the current assets, loans and advances including inter alia inventories of raw materials, components and parts, work-in progress, finished goods and goods-in-transit, account receivables, cash and bank balances, deposits including accrued interest, share application monies, other current assets, actionable claims and debts pertaining to the moveable assets;
- d. all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the Transferor Companies, including deposits and rent advance paid to lessors or licensors of office premises, warehousing facilities or residential premises;
- e. all investments in government securities, shares, debentures and other securities, mutual funds, application money for subscription of shares, debentures, and

other securities, made or held by the Transferor Companies, as well as all benefits accrued thereon;

- f. all permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, benefits arising out of exports of goods and services, exemptions, liberties, advantages, no-objection certificates, certifications, registrations, easements, goodwill, licenses, tenancies, offices and depots, Intellectual Property Rights including trade name and trademarks, service marks, patents, copyrights, moral rights, domain names, applications for copyrights, patents, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, hire purchase arrangements, powers and facilities of every kind and description whatsoever appertaining to the Transferor Companies;
- g. right to claim tax holidays, if applicable, under the provisions of the Income-tax Act, 1961;
- h. right to any claim, whether preferred or not, made by Transferor Companies, in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any relevant law, act or rule;
- i. all the secured and unsecured loans, debts, current liabilities and provisions, and other liabilities, duties and obligations, whether present of future and whether recorded or unrecorded, of the Transferor Companies, as at the Appointed Date (hereinafter collectively referred to as the “**Liabilities**”);
- j. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which Transferor Company-1 and Transferor Company-2 is a party, relating to their respective business, activities and operations;

- k. all permanent employees of Transferor Company-1 and Transferor Company-2, employees/ personnel engaged on contract basis and contract labourers and secondees/ interns/ trainees, at its respective offices, branches or otherwise, and any other employees/ personnel and contract labourers and interns/ trainees hired by Transferor Company-1 and Transferor Company-2 after the date hereof, relating to their respective business, activities and operations; and
 - l. all books, record files, papers, computer programs along with engineering and process information, manuals, data, catalogues, quotations, websites, sales and advertising material, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form in connection with or relating to the respective business, activities and operations of the Transferor Companies.
 - m. all unabsorbed tax losses, unabsorbed tax depreciation, advance taxes, tax deducted at source, tax collected at source, Minimum Alternate tax credit, other tax credits, Service tax input credit balances, all state value added tax input credit balances and input tax under Goods & Services legislation of the Transferor Companies.
- 1.8. "**Companies**" means collectively, Transferor Company-1, Transferor Company-2 and Transferee Company;
- 1.9. "**Effective Date**" shall mean the last of the dates on which the conditions set out in Clause 16 of the Scheme are satisfied or waived in accordance with this Scheme. Any reference in this Scheme to the words "**upon the Scheme becoming effective**" or "**date of coming into effect of the Scheme**" or "**Scheme coming into effect**" shall mean the Effective Date;
- 1.10. "**Government Authority**" means any applicable Central or 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 on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;

- 1.11. **“Income Tax Act”** means the Income Tax Act, 1961, and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;
- 1.12. **“Input Tax Credit”** means CENVAT Credit as defined under the CENVAT Credit Rules, 2004 and any other tax credits under any indirect tax law for the time being in force including Goods & Service Tax;
- 1.13. **“Intellectual Property Rights”** means (a) copyright, patents, brands, manufacturing process, database rights and rights in trademarks, designs, know-how and confidential information (whether registered or unregistered); (b) applications for registration, and rights to apply for registration, of any of the foregoing rights; and (c) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world;
- 1.14. **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;
- 1.15. **“Official Liquidator”** or **“OL”** means the Official Liquidator having jurisdiction over the Transferor Companies and the Transferee Company;
- 1.16. **“NSE”** means National Stock Exchange of India Limited;
- 1.17. **“Record Date for Consideration”** means the Effective Date or any other date subsequent thereto fixed by the Board or committee thereof of the Transferee Company for determining the members of the Transferor Companies and Transferee Company for the purposes of Clause 8 of the Scheme;
- 1.18. **“Record Date for Dividend”** means the date fixed by the Board or committee thereof of the Transferee Company for declaring and paying dividends, whether interim or final, to its equity shareholders;
- 1.19. **“Registrar of Companies”** means the Registrar of Companies of NCT of Delhi;

- 1.20. “**Rules**” means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;
- 1.21. “**Scheme**” means this Composite Scheme of Amalgamation and Arrangement of Transferor Company-1 and Transferor Company-2 and Transferee Company and their respective shareholders, in its present form (along with any annexures, schedules, etc. attached hereto), as submitted to the Tribunal or this Scheme with such modification(s), if any, as may be made by the members and/ or the creditors of the Companies or such modification(s) as may be imposed by any Government Authority and/ or directed to be made by the Tribunal while sanctioning the Scheme and as accepted by the respective Board of Directors of the Companies;
- 1.22. “**SEBI**” means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- 1.23. “**Shareholders**” with respect to each of the Transferor Company-1 and Transferor Company-2 and the Transferee Company, means respectively, the persons registered from time to time, as the holders of the equity and preference shares of the company concerned;
- 1.24. “**Stock Exchanges**” means BSE and/ or NSE;
- 1.25. “**Tax**”, “**Taxes**” or “**Taxation**” means all forms of taxation, duties, cess, levies, imposts and social security (or similar) charges of any kind whatsoever in any jurisdiction, including without limitation corporate income tax, any other form of withholding tax, provident fund, employee state insurance and gratuity contributions, service tax, value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, dividend distribution tax, securities transaction tax, real estate taxes, gross receipts taxes, windfall profit taxes, employment taxes, severance taxes, franchise taxes, transfer taxes, profit taxes, registration taxes, unclaimed property or escheatment taxes, alternative or add-on minimum taxes, estimated taxes, other municipal, provincial, state or local taxes and duties, environmental taxes and duties, goods and service taxes and any other type of taxes or duties in any relevant jurisdiction, whether disputed or not, together with any interest, penalties, surcharges or fines relating thereto, due, payable,

levied, imposed upon or claimed to be owed in any relevant jurisdiction, and including any obligations to indemnify or otherwise assume or succeed to the tax liability of any other Person.

- 1.26. **“Transferee Company”** means Honasa Consumer Limited, bearing CIN U74999DL2016PLC306016, incorporated on 16th September, 2016 under the provisions of the Companies Act, 2013 and having its registered office at Unit 404, 4th Floor, City Centre, Plot No 05, Sector 12, Dwarka, New Delhi – 110075;
- 1.27. **“Transferor Company-1”** means Fusion Cosmeceutics Private Limited, bearing CIN U24230DL2003PTC423473, incorporated on 30th June, 2003 under the provisions of the Companies Act, 1956 and having its registered office at Unit 404, 4th Floor, City Centre, Plot No 05, Sector 12, Dwarka, New Delhi – 110075;
- 1.28. **“Transferor Company-2”** means Just4Kids Services Private Limited bearing CIN – U80302HR2010PTC107239, incorporated on 3rd June 2010 under the provisions of the Companies Act, 1956 and having its registered office at 10th and 11th floor, Capital Cyberscape, Ullahwas, Sector 59, Gurgaon, Haryana – 122102;
- 1.29. **“Transferor Companies”** means collectively, Transferor Company-1 and Transferor Company-2.
- 1.30. **“Tribunal – New Delhi”** means the Hon’ble National Company Law Tribunal at New Delhi as constituted under the provisions of the Act having jurisdiction over the Transferor Company-1 and Transferee Company.
- 1.31. **“Tribunal – Chandigarh”** means the Hon’ble National Company Law Tribunal at Chandigarh as constituted under the provisions of the Act having jurisdiction over the Transferor Company-2.
- 1.32. **“Tribunals”** means collectively the Tribunal – Chandigarh and the Tribunal – New Delhi.

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 ascribed to them under the

Act and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof from time to time to the extent in force.

2. Interpretation

- 2.1. References to statutory provisions shall be construed as references to the statutory provisions under Applicable Laws of India unless otherwise specified, and in any event to those provisions as respectively amended, superseded or re-enacted or as their application is modified by any other provisions (whether made before or after the date of this Scheme) from time to time, to the extent in force;
- 2.2. References to Clauses are to the Clauses of this Scheme and references to sub-clauses are to the sub-clauses of the Clause of this Scheme in which the reference appears;
- 2.3. The headings and sub-headings are for information only and shall not affect the construction or interpretation of this Scheme;
- 2.4. The singular shall include the plural and vice versa; and reference to one gender shall include all genders;
- 2.5. Any phrase introduced by the terms “including”, “include” or any similar expression shall be construed as illustrative and shall not limit the sense or scope of the word(s) preceding those terms.

3. Date of Taking Effect and Operative Date

- 3.1. The Scheme set out herein in its present form submitted to the Tribunals or this Scheme with such modification(s), if any, as may be made by the members and/ or the creditors of the Companies or such modification(s) as may be imposed by any Government Authority and/or directed to be made by the Tribunals while sanctioning the Scheme and as accepted by the respective Board of Directors of the Companies shall be operative from the Appointed Date but shall be effective from the Effective Date.

4. Share Capital

The authorized, issued, subscribed and paid-up share capital of the Transferor Companies and the Transferee Company as on 31st December 2023 is as follows:

4.1. Transferor Company-1

| Particulars | Amount (in INR) |
|--|----------------------------|
| Authorized Capital | |
| 11,65,000 Equity Shares of INR 10/- each | 1,16,50,000 |
| 8,86,000 Compulsorily Convertible Preference Shares of INR 10/- each | 88,60,000 |
| Issued, Subscribed and Paid-up Capital | |
| 10,00,045 Equity Shares of INR 10/- each | 1,00,00,450 |
| 8,85,103 Compulsory Convertible Preference Shares of INR 10/- each | 88,51,030 |

4.2. Transferor Company-2

| Particulars | Amount (in INR) |
|---|----------------------------|
| Authorized Capital | |
| 1,00,000 Equity Shares of INR 10/- each | 10,00,000 |
| 20,000 0.1% Series A Compulsorily Convertible Preference Shares of INR 10/- each | 2,00,000 |
| 20,000 0.001% Series A1 Compulsorily Convertible Preference Shares of INR 10/- each | 2,00,000 |
| 5,000 0.1% Series B Compulsorily Convertible Preference Shares of INR 100/- each | 5,00,000 |
| Issued, Subscribed and Paid-up Capital | |
| 58,997 Equity Shares of INR 10/- each | 5,89,970 |
| 17,838 0.1% Series A Compulsorily Convertible Preference Shares of INR 10/- each | 1,78,380 |
| 19,282 0.001% Series A1 Compulsorily Convertible Preference Shares of INR 10/- each | 1,92,820 |

4.3. Transferee Company

| Particulars | Amount (in INR) |
|---|------------------------|
| Authorized Capital | |
| 34,00,00,000 Equity Shares of INR 10/- each | 3,40,00,00,000 |
| 580 Equity Shares of INR 100/- each | 58,000 |
| 290 Equity Shares of INR 90/- each | 26,100 |
| 5,839 0.001% Class A Compulsorily Convertible Non-Cumulative Preference shares of INR 10/- each | 58,390 |
| 1,885 0.001% Class B Compulsorily Convertible Non-Cumulative Preference shares of INR 10/- each | 18,850 |
| 4,845 0.001% Class C Compulsorily Convertible Non-Cumulative Preference shares of INR 10/- each | 48,450 |
| 4,161 0.001% Class D Compulsorily Convertible Non-Cumulative Preference shares of INR 10/- each | 41,610 |
| 5,000 0.001% Class E Compulsorily Convertible Non-Cumulative Preference shares of INR 10/- each | 50,000 |
| 5,000 0.001% Class F Compulsorily Convertible Non-Cumulative Preference shares of INR 10/- each | 50,000 |
| Issued, Subscribed and Paid-up Capital | |
| 32,17,46,757 Equity Shares of INR 10/- each | 3,21,74,67,570 |

Subsequent to the above date and till the date of approval of the Board to the said Scheme there is no change in the Share Capital structure as set out above.

It is provided that till the Scheme becomes effective, the Transferor Companies and the Transferee Company are free to alter their authorized, issued, subscribed or paid-up share capital as required by respective business requirements (including issue of shares on account of capital infusion into the relevant company), subject to the necessary permissions and approvals of the concerned Government Authority and their respective Board of Directors and members if required.

5. Compliance with Tax Laws

This Scheme complies with the conditions relating to “amalgamation” as defined under Section 2(1B) and other relevant sections and provisions of the Income Tax Act. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail and this Scheme may be modified accordingly with the consent of the Transferor Companies and the Transferee Company (acting through the powers vested with their respective Board of Directors, which power can be exercised at any time and shall be exercised in the best interests of the companies and their shareholders).

**PART-II: AMALGAMATION, TRANSFER AND VESTING OF THE BUSINESS
AND UNDERTAKING OF TRANSFEROR COMPANY-1 AND TRANSFEROR
COMPANY-2 WITH TRANSFEE COMPANY.**

6. Transfer and Vesting of the Business and Undertaking of Transferor Company-1 [Fusion Cosmeceutics Private Limited] and Transferor Company-2 [Just4Kids Services Private Limited] with Transferee Company [Honasa Consumer Limited].

6.1. On occurrence of the Effective Date and with effect from the Appointed Date, the entire Business and Undertaking of both Transferor Company-1 and Transferor Company-2 shall, in terms of Sections 230 to 232 and other applicable provisions of the Act and other provisions of Applicable Law, as may be relevant, pursuant to the sanctioning of the Scheme by the Tribunal-New Delhi and Tribunal-Chandigarh respectively, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern, in the following manner:

6.1.1. Transfer of Assets

- a. The entire Business and Undertaking of Transferor Company-1 and Transferor Company-2 shall stand transferred to and be vested in the Transferee Company without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, subject to existing charges thereon, if any, in favour of banks and financial institutions and other secured lenders, as the case may be;
- b. All the assets of the Transferor Company-1 and Transferor Company-2 as are movable in nature or incorporeal property or are otherwise capable of transfer by physical delivery or by endorsement and delivery or transfer by vesting and recording pursuant to this Scheme, shall stand vested in Transferee Company, with effect from the Appointed Date, and shall become the assets and an integral part of the Transferee Company;

- c. All movable property of the Transferor Company-1 and Transferor Company-2, other than those specified in Paragraph 6.1.1.b above, including sundry debtors, cash in hand or in bank, outstanding loans and advances, actionable claims, guarantees, acceptances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government Authorities, quasi-Government, local and other authorities and bodies, customers and other persons shall without any notice, intimation, act, instrument or deed become the property and integral part of the Transferee Company;

- d. all immovable properties including but not limited to land and buildings or any other immovable property of the Transferor Company-1 and Transferor Company-2, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Company-1 and Transferor Company-2 or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties transferred hereunder.

- e. All the licenses, permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by Transferor Company-1 and Transferor Company-2 and all rights and benefits that have accrued or which may accrue to Transferor Company-1 and Transferor Company-2, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or be deemed to be transferred to and vested in and be available to the Transferee Company. The licenses, permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies,

concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and condition and shall be appropriately registered by the relevant statutory authorities in favor of the Transferee Company pursuant to this Scheme, in order to facilitate the continuation of operations of the Transferor Company-1 and Transferor Company-2 in the Transferee Company without any hindrance, on and from the Appointed Date.

- f. In so far as various incentives, subsidies, special status and other benefits or privileges (including but not limited to right to claim credit in respect of all unabsorbed tax losses, unabsorbed tax depreciation, advance taxes, tax deducted at source, tax collected at source, minimum alternate tax credit, service tax input credit balances, all state value added tax input credit balances and input tax under goods & services legislation, all other rights including sales tax deferrals and exemptions and other benefits) granted by any Government body, local authority or by any other person and availed of by the Transferor Company-1 and Transferor Company-2 are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- g. Upon the transfer of each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax exemptions and benefits, incentives, concessions and other or similar authorizations of the Transferor Company-1 and Transferor Company-2 to the Transferee Company and pursuant to the order of the Tribunal, the Transferee Company shall file the relevant notifications and communications, if any, for the record of the appropriate authorities which shall take them on record.
- h. All cheques and other negotiable instruments, payment orders received or presented for encashment which is in the name of Transferor Company-1 and Transferor Company-2 after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, the bankers of

the Transferee Company shall honour all cheques issued by Transferor Company-1 and Transferor Company-2 for payment after the Effective Date. If required, Transferor Company-1 and Transferor Company-2 shall allow maintaining of bank accounts in the name of Transferor Company-1 and Transferor Company-2 by the Transferee Company for such time as may be determined to be necessary by Transferor Company-1 and Transferor Company-2 and the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company-1 and Transferor Company-2. It is hereby expressly clarified that any legal proceedings by or against Transferor Company-1 and Transferor Company-2 in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company-1 and Transferor Company-2 shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

6.1.2. Transfer of Liabilities

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities including but not limited to all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertaking of Transferor Company-1 and Transferor Company-2, all other obligations (including any guarantees, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) whether relating to and comprised in any of the Undertaking or otherwise, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (herein referred to as the Liabilities), shall, pursuant to the sanction of this Scheme by the Tribunals and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or

security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to Transferor Company-1 and Transferor Company-2, and the Transferee Company shall meet, discharge and satisfy the same and further 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 liabilities have arisen in order to give effect to the provisions of this Clause.

- b. Without prejudice to the generality of the provisions contained herein, all loans raised, and liabilities incurred by either of Transferor Company-1 and Transferor Company-2 after the Appointed Date but before the Effective Date for their operations, shall be deemed to be that of the Transferee Company;
- c. Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company-1 and Transferor Company-2 as on the Appointed Date have been discharged or satisfied by Transferor Company-1 and Transferor Company-2 after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- d. The transfer and vesting of the entire Business and Undertaking of Transferor Company-1 and Transferor Company-2, 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 Transferor Company-1 and Transferor Company-2, as the case may be;

Provided however that, any reference in any of the security documents or arrangements [to which either of Transferor Company-1 and/ or Transferor Company-2 is a party] to the assets of any of the Transferor Companies, 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 Transferor

Company-1 and Transferor Company-2, as are vested in the Transferee Company by virtue of this Scheme, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferee Company;

6.1.3. Encumbrances

- a. The transfer and vesting of the properties, assets, liabilities and Business and Undertaking of Transferor Company-1 and Transferor Company-2 to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- b. All the existing securities, mortgages, charges, encumbrances or liens (the Encumbrances), if any, as on the Appointed Date and created by Transferor Company-1 and Transferor Company-2 after the Appointed Date, over the properties, assets, Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such encumbrances secure or relate to Liabilities of Transferor Company-1 and Transferor Company-2, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by Transferor Company-1 and Transferor Company-2 over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.
- c. The existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of Transferor Company-1 and Transferor Company-2 transferred to and vested in the Transferee Company by virtue of this Scheme.

- d. Any reference in any security documents or arrangements [to which either of Transferor Company-1 and/or Transferor Company-2 is a party] to the Transferee Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of Transferor Company-1 and Transferor Company-2 transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, Transferor Company-1, Transferor Company-2 and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/ or modification(s) of charge(s), with the RoC to give formal effect to the above provisions, if required.
- e. Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- f. It is expressly provided that no other terms or conditions of the liabilities transferred to the Transferee Company are modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- g. The provisions of this Clause 6.1.3 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

6.1.4. Contracts, Agreements, Deeds, Licenses, Permits etc.

- a. All contracts, deeds, bonds, share-purchase agreements, memoranda of understanding, letters of intent, undertakings, whether written or otherwise, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Company-1 and Transferor Company-2, or to the benefit of Transferor Company-1 and Transferor Company-2, and which are

subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company-1 and Transferor Company-2, the Transferee Company had been a party or beneficiary or obligee thereto. Any contingent liabilities arising out of or in connection with the assignment of any tax/ levy deferrals by Transferor Company-1 and Transferor Company-2 to any third party between the Appointed Date and the Effective Date shall be deemed to be that of the Transferee Company. All insurance benefits (including 'no claim bonuses') arising from the insurance policies so taken by either of Transferor Company-1 and Transferor Company-2 in relation thereto or in connection therewith, stand transferred to and vested in the Transferee Company as if the Transferee Company is a party thereto, and the Transferee Company shall be entitled to exercise all rights and privileges and shall be liable to perform all obligations thereunder;

- b. All the leases, tenancies, leave and license agreements, lease agreements or other like agreements entered into by either of Transferor Company-1 and/ or Transferor Company-2 for taking on lease or rent or license basis, office premises or residential premises and all agreements entered into in relation thereto or in connection therewith, shall stand transferred to and vested in the Transferee Company as if the Transferee Company is a party thereto, and the Transferee Company shall be entitled to exercise all rights and privileges and shall be liable to perform all obligations thereunder;
- c. All permits, quotas, rights, certificates, entitlements, licenses including those relating to the trade names and trademarks, patents, copy rights and all other Intellectual Property Rights, tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company-1 and Transferor Company-2 to which Transferor Company-1 and/or Transferor Company-2 is a party, or to the benefits of which either of Transferor Company-1 and/or Transferor Company-2 may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be enforceable fully and effectually as if, instead of the respective Transferor Company-1 and

Transferor Company-2, the Transferee Company had been a party or beneficiary or obligee thereto or therein;

- d. All the statutory or other licenses, permits, quotas, approvals, authorizations, sanctions (including pertaining to electricity, water, telephones), permissions, registrations (including for vehicles), incentives, tax deferrals, export incentives, duty drawbacks, credits, exemptions and benefits (including but not limited to that under the Foreign Trade Policy, MODVAT/CENVAT, sales tax/Value Added Tax, Goods and Service Tax, and service tax), subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status, no objection certificates and other benefits or privileges enjoyed or conferred upon or held or availed of by, or vested in, Transferor Company-1 and Transferor Company-2 and all rights and benefits that have accrued or which may accrue to Transferor Company-1 and Transferor Company-2, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become, as and from the Appointed Date, licenses, permits, quotas, approvals, sanctions, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges etc. of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- e. The Transferee Company will, at any time after this Scheme comes into effect, if so required under any Applicable Law or otherwise considered expedient by the Transferee Company, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to Transferor Company-1 and/or Transferor Company-2, or to which Transferor Company-1 and/or Transferor Company-2 is a party, in order to give effect to the above provisions;

6.1.5. Legal Proceedings

- a. All suits, claims, actions and proceedings of whatsoever nature by or against Transferor Company-1 and Transferor Company-2 pending or instituted on or before the Effective Date shall neither abate nor shall in any way be prejudicially affected by reason of the said Businesses and Undertakings, having finally stood transferred to or vested in the Transferee Company as envisaged in this Scheme but shall be continued and be enforced by or against the Transferee Company as effectually as if the same has been pending and/or arising against and/ or instituted by or against the Transferee Company.

6.1.6. Employee Matters

Upon the coming into effect of this Scheme:

- a. All the employees, staff, workmen or other labour of Transferor Company-1 and Transferor Company-2 shall become employees, staff, workmen or other labour of the Transferee Company, without any break or interruption in service and on the same terms and conditions on which they are engaged by Transferor Company-1 and Transferor Company-2, up to the Effective Date. Services of all such employees, staff, workmen or other labour with Transferor Company-1 and Transferor Company-2 up to the Effective Date shall be taken into account for the purpose of retirement benefits to which they may be eligible in the Transferee Company, on or after the Effective Date. Such past services with Transferor Company-1 and Transferor Company-2 shall be taken into account by the Transferee Company, for the purpose of any retrenchment compensation, should the Transferee Company introduce any such scheme in future. The services of such employees, staff, workmen or other labour shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of commencement of their services with Transferor Company-1 and Transferor Company-2;

- b. As regards the provident fund, gratuity fund, superannuation fund, or any other special fund, if any, created or established by or existing as of the Effective Date, for the benefit of staff, workers, labour or employees of Transferor Company-1 and Transferor Company-2 (hereinafter collectively referred to as the “**Employee Benefit Funds**”), upon this Scheme becoming effective, the Transferee Company shall stand substituted for Transferor Company-1 and Transferor Company-2, for all intents and purposes whatsoever, related to the operation or administration of such Employee Benefit Funds, and in relation to the obligation to make contribution to such Employee Benefit Funds, in accordance with the provisions of such Employee Benefit Funds;
- c. It is the aim and intent of this Scheme that all the rights, powers, duties, and obligations respectively of Transferor Company-1 and Transferor Company-2 in relation to such Employee Benefit Funds shall become those of the Transferee Company as if the Transferee Company is a party thereto in place of Transferor Company-1 and Transferor Company-2. The services of staff, workmen and other employees shall be treated as having been continuous for the purpose of such Employee Benefit Funds. Subject to substitution of the Transferee Company for Transferor Company-1 and Transferor Company-2 as aforesaid, the Transferee Company may, at its discretion, either maintain separate employee benefit funds established by Transferor Company-1 and Transferor Company-2 for the employees, who are transferred from Transferor Company-1 and Transferor Company-2 to the Transferee Company or combine those funds with the funds established by the Transferee Company. In case either of Transferor Company-1 and Transferor Company-2 have not established a separate fund or trust for providing provident fund benefits to its employees, but make contributions to the regional provident fund authorities, the Transferee Company may, at its discretion, either continue such arrangement or establish a separate fund for the purpose or admit such employees to the funds established by the Transferee Company, and accordingly take steps for transfer of the accumulated balances standing to the credit of such employees.

6.1.7. Treatment of Taxes - Tax-related provisions

- a. Notwithstanding anything to the contrary contained in the provisions of this Scheme, Transferee Company shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, unabsorbed tax depreciation, Credit of minimum alternative tax and input tax credits of Transferor Company-1 and Transferor Company-2 that remain unutilized as on Appointed Date as per applicable laws. Further, any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, and reductions as would have been available to Transferor Company-1 and Transferor Company-2 on or before Appointed Date shall be available to Transferee Company as per Applicable Laws;
- b. Upon this Scheme becoming effective, Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, Transferor Company-1 and Transferor Company-2 under Applicable Laws, including but not limited to income tax, goods and service tax, sales tax, value added tax, service tax, excise duty laws, CENVAT credit or any other taxes/duties/levies, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilised by Transferor Company-1, Transferor Company-2 and Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme;
- c. Upon this Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and unexpired credit thereof or TDS credit available or vested with Transferor Company-1 and Transferor Company-2, including any taxes paid and taxes deducted at source and deposited by Transferor Company-1 and Transferor Company-2 on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by Transferee Company and shall be available to Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued, or TDS returns filed by Transferor Company-1 and Transferor

Company-2 on transactions shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Transferee Company. Any TDS deducted by, or on behalf of, Transferor Company-1 and Transferor Company-2 on inter se transactions will be treated as tax deposited by Transferee Company;

- d. Upon this Scheme becoming effective, any Goods and Service Tax (GST), service tax or any other tax charged by, for, or on behalf of, Transferor Company-1 and Transferor Company-2 on inter se transactions and in respect of which CENVAT credit or any Input Tax Credit is not available or has not been claimed by Transferor Company-1 and Transferor Company-2, shall be treated as Goods and Service Tax (GST), service tax or any other tax (as the case may be) paid in cash by Transferor Company-1 and Transferor Company-2, without any further action on the part of the relevant Transferor Company-1, Transferor Company-2 and Transferee Company;
- e. Transferee Company is expressly permitted to file or revise its corporate income tax, TDS, goods and services tax, wealth tax, service tax, excise, VAT, entry tax, professional tax or any other statutory returns, statements or documents in order to avail credit for advance tax paid, depreciation, tax deducted at source, claim for sum prescribed under Section 43B of the Income Tax Act on payment basis, deduction for provisions written back previously disallowed, by / relating to Transferor Company-1 and Transferor Company-2 under the Income Tax Act, credit of tax paid (including Credit of minimum alternative tax, under Section 115JB read with Section 115JAA of the Income Tax Act, available to Transferor Company-1 and Transferor Company-2 as on the Appointed Date), credit of foreign taxes paid / withheld etc., if any, pertaining to Transferor Company-1 and Transferor Company-2 upon this Scheme becoming effective, and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Transferee Company is expressly permitted to amend, if required, its TDS or other statutory certificates and shall have the right to claim refunds, tax credits, set offs and, or,

adjustments relating to its income or transactions entered into by it with effect from Appointed Date.

- f. The taxes or duties paid by, for, or on behalf of, Transferor Company-1 and Transferor Company-2 relating to the period on or after Appointed Date (regardless of the period they relate to), shall be deemed to be the taxes or duties paid by Transferee Company, as effectively as if the Transferee Company had paid the same and Transferee Company shall be entitled to claim credit or refund for such taxes or duties;

- g. In accordance with the Cenvat Credit Rules, 2004 framed under the Central Excise Act, 1944, state value-added tax and Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to excise duties, state value-added tax, Goods & Services tax and service tax paid on inputs/capital goods/input services lying in the accounts of the Undertaking of Transferor Company-1 and Transferor Company-2 shall be permitted to be transferred to the credit of the Transferee Company, (including in electronic form/registration), as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/service tax/ Goods & Services tax payable by it.

Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, but without limitation to income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, Goods & Services tax etc.) to which Transferor Company-1 and Transferor Company-2 is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, (including in electronic form/registration), upon this Scheme coming into effect.

- h. As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against

Transferor Company-1 and Transferor Company-2. All tax liabilities of Transferor Company-1 and Transferor Company-2 determined prior to Effective Date as well as tax liabilities pertaining to past periods determined after the Effective Date shall be transferred and enforced against the Transferee Company in the same manner and to the same extent as would or might have been enforced against Transferor Company-1 and Transferor Company-2.

Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Transferor Company-1 and Transferor Company-2 with the Transferee Company or anything contained in the Scheme.

6.1.8. Inter-se Transactions:

Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, any loans, advances, obligations and any other transactions (including any billings, guarantees, letters of credit, letters of comfort or any other instruments or arrangements) between the Transferor Company-1, Transferor Company-2 and Transferee Company shall, ipso facto, stand cancelled and discharged and there shall be no rights, liabilities or obligations outstanding as between the relevant Companies and appropriate effect shall be given to such cancellation and discharge in the books of accounts and records of the Transferee Company. For the avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or other charges in respect of any loans, advances, and other obligations as between any of the Transferor Company-1, Transferor Company-2 and Transferee Company. In so far as any shares, securities, debentures or notes issued by Transferor Company-1 and Transferor Company-2, and held by the Transferee Company and vice versa are concerned, the same shall stand cancelled without any further act or deed as on the Effective Date, and shall have no effect and Transferor Company-1 or Transferor Company-2 or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

6.1.9. Declaration of Dividend:

- a. During the period between the Appointed Date and up to and including the Effective Date, Transferor Company-1 and Transferor Company-2 shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- b. For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for Dividend.
- c. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective boards, and subject to the approval, if required, of the shareholders of Transferor Company-1, Transferor Company-2 and Transferee Company respectively as the case may be.

6.1.10. Miscellaneous

- a. Insofar as any securities (including equity shares), debentures or notes issued by Transferor Company-1 and Transferor Company-2 and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by the holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.
- b. The Transferee Company shall be entitled to take all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest in the immovable property of Transferor Company-1 and Transferor Company-2 or the properties occupied or used or enjoyed by Transferor Company-1 and Transferor Company-2 is received by the Transferee Company;

- c. All motor vehicles of any description whatsoever of any of the Transferor Company-1 and Transferor Company-2 shall stand transferred to and be vested in the Transferee Company with effect from the Appointed Date, and the Transferee Company shall take steps, on or after the Effective Date, for substitution of the name of the Transferee Company in place of the Transferor Company-1 and Transferor Company-2 respectively, in the certificates of registration and other documents relating to motor vehicles and the appropriate Governmental and Registration Authorities shall accordingly substitute the name of the Transferee Company in place of the Transferor Company-1 and Transferor Company-2 respectively.

7. Conduct of Business by the Transferor Company-1 and Transferor Company-2

7.1. With effect from the Appointed Date and until the Effective Date:

- a. The Transferor Company-1 and Transferor Company-2 shall carry on and shall be deemed to have carried on all their businesses and activities as hitherto for and on account of, and for the benefit of and in trust for, Transferee Company and shall stand possessed of their businesses, including all the assets and properties, on account of, and for the benefit of, and in trust for, the Transferee Company;
- b. All the income and profits accruing to the Transferor Company-1 and Transferor Company-2 and expenditure and losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company-1 and Transferor Company-2, shall, for all purposes, be treated and be deemed to be and accrue as the incomes and profits or expenditure or losses or taxes of the Transferee Company, as the case may be.
- c. The Transferor Company-1 and Transferor Company-2 shall carry on their business with reasonable diligence and in the same manner as it has been doing hitherto, and the Transferor Company-1 and Transferor Company-2 shall not

save for anything done in the ordinary course of business, alter or substantially expand their business except with the written concurrence of the Transferee Company;

- d. The Transferor Company-1 and Transferor Company-2 shall not, without the written concurrence of the Transferee Company, alienate, charge or encumber any of their assets and properties, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Company-1 and Transferor Company-2;
- e. The Transferor Company-1 and Transferor Company-2 shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Company-1 and Transferor Company-2, the terms and conditions of employment of any of their employees, nor shall they conclude settlement with any union or its employees except with the written concurrence of the Transferee Company;
- f. Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company-1 and Transferor Company-2 as on the close of business on the date preceding the Appointed Date, whether or not provided in its books, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company;
- g. Any of the rights, powers, authorities, and privileges attached or related or pertaining to and exercised by or available to the Transferor Company-1 and Transferor Company-2 shall be deemed to have been exercised by the Transferor Company-1 and Transferor Company-2 for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related, or pertaining to the Business and Undertaking that have been undertaken or discharged by the Transferor Company-1 and

Transferor Company-2 shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

- 7.2. For the purpose of giving effect to the vesting of the Business and Undertaking of the Transferor Company-1 and Transferor Company-2, pursuant to Orders passed by the Tribunal-New Delhi and Tribunal-Chandigarh, the Transferee Company shall, at any time, be entitled to get the recording of the change in the legal right(s), in accordance with the provisions of Sections 230 to 232 of the Act and in terms of directions, if any, given by the Tribunal-New Delhi and Tribunal-Chandigarh. Further, the Transferee Company shall be authorised to execute any pleadings, applications, forms, deeds, documents or other writings, as are required to remove any difficulties, seek modifications to the Scheme and carry out any formalities or compliances as are necessary for the implementation of this Scheme.
- 7.3. Pending sanction of the Scheme, the Transferee Company shall be entitled to apply to the Central and the State Governments, all other applicable authorities, agencies and/or organizations, for such consents, approvals, permissions and sanctions as may be required to own and operate the Business and Undertaking of the Transferor Company-1 and Transferor Company-2, and the Transferor Company-1 and Transferor Company-2 will provide such reasonable assistance as may be required by the Transferee Company in this regard.

8. Consideration

- 8.1. For the purposes of this Scheme, it is hereby clarified that as the Transferor Company-1 and the Transferor Company-2 are the wholly owned subsidiaries of the Transferee Company and there would be no issue of shares by the Transferee Company in consideration of the amalgamation. Consequently, upon the Scheme coming into effect, the investments in the equity and/ or preference share capital (as applicable) of Transferor Company-1 and Transferor Company-2 appearing in the books of accounts of the Transferee Company will stand extinguished and cancelled.

8.2. Upon the Scheme becoming effective, the entire paid-up share capital in the Transferor Company-1 and Transferor Company-2 fully held by the Transferee Company and/or its nominee(s) on the Effective Date shall stand extinguished and all such shares certificates representing the shares in the Transferor Company-1 and Transferor Company-1 shall be deemed to be cancelled on the Effective Date without any further application, act or deed.

9. Combination of the Authorized Share Capital and Amendment of Memorandum of Association of Transferee Company

9.1. With effect from the Appointed Date and upon the Scheme becoming effective, pursuant to Sections 230 and 232 read with Sections 13 and 61 and other applicable provisions of the Act, and Clause V of the Memorandum of Association of Transferor Company-1 and Transferor Company-2, the authorized share capital of the Transferee Company shall stand increased from the present authorized share capital amounting to INR 3,40,03,51,400/- (Rupees Three Hundred Forty Crore Three Lakhs Fifty-One Thousand and Four Hundred Only) consisting of 34,00,00,000 (Thirty-Four Crore) equity shares of INR 10/- (Rupees Ten only), 290 (Two Hundred and Ninety) equity shares of INR 90 (Rupees Ninety) each, 580 (Five Hundred and Eighty) equity shares of INR 100 (Rupees Hundred) each and 5,839 (Five Thousand Eight Hundred and Thirty-Nine) Class A Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each, 1,885 (One Thousand Eight Hundred and Eighty-Five) Class B Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each, 4,845 (Four Thousand Eight Hundred and Forty-Five) Class C Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each, 4,161 (Four Thousand One Hundred and Sixty One) Class D Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees ten) each, 5,000 (Five Thousand) Class E Compulsorily Convertible Non- Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each, 5,000 (Five Thousand) Class F Compulsorily Convertible Non- Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each to INR 3,42,27,61,400/- (Rupees Three Hundred Forty Two Crore Twenty-Seven Lakhs Sixty-One Thousand and Four Hundred Only) consisting of 34,12,65,000 (Thirty-Four Crore Twelve Lakhs and Sixty-Five Thousand) equity shares of INR 10/- (Rupees Ten

only), 290 (Two Hundred and Ninety) equity shares of INR 90 (Rupees Ninety) each, 580 (Five Hundred and Eighty) equity shares of INR 100 (Rupees Hundred) each and 5,839 (Five Thousand Eight Hundred and Thirty-Nine) Class A Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each, 1,885 (One Thousand Eight Hundred and Eighty-Five) Class B Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each, 4,845 (Four Thousand Eight Hundred and Forty-Five) Class C Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each, 4,161 (Four Thousand One Hundred and Sixty One) Class D Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees ten) each, 5,000 (Five Thousand) Class E Compulsorily Convertible Non- Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each, 5,000 (Five Thousand) Class F Compulsorily Convertible Non- Non-Cumulative Preference Shares of INR 10 (Rupees Ten), 8,86,000 (Eight Lakhs and Eighty-Six Thousand) Compulsorily Convertible Preference Shares of INR 10 (Rupees Ten) each, 20,000 (Twenty Thousand) 0.1% Series A Compulsorily Convertible Preference Shares of INR 10 (Rupees Ten) each, 20,000 (Twenty Thousand) 0.001% Series A1 Compulsorily Convertible Preference Shares of INR 10 (Rupees Ten) each, and 5,000 (Five Thousand) 0.1% Series B Compulsorily Convertible Preference Shares of INR 100 (Rupees Hundred) each. The fees/duty already paid by Transferor Company-1 and Transferor Company-2 for their authorized share capital shall be deemed to have been paid by the Transferee Company. The amended Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

“The Authorised Share Capital of the Company is INR 3,42,27,61,400/- (Rupees Three Hundred Forty-Two Crore Twenty-Seven Lakhs Sixty-One Thousand and Four Hundred Only) which will be divided into;

- a) 34,12,65,000 (Thirty-Four Crore Twelve Lakh and Sixty-Five Thousand) equity shares of INR 10 (Rupees Ten) each,*
- b) 290 (Two Hundred and Ninety) equity shares of INR 90 (Rupees Ninety) each,*
- c) 580 (Five Hundred and Eighty) equity shares of INR 100 (Rupees Hundred) each,*

- d) 5,839 (Five Thousand Eight Hundred and Thirty-Nine) Class A Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each,
- e) 1,885 (One Thousand Eight Hundred and Eighty-Five) Class B Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each,
- f) 4,845 (Four Thousand Eight Hundred and Forty-Five) Class C Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each and;
- g) 4,161 (Four Thousand One Hundred and Sixty One) Class D Compulsorily Convertible Non-Cumulative Preference Shares of INR 10 (Rupees ten) each.
- h) 5,000 (Five Thousand) Class E Compulsorily Convertible Non- Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each.
- i) 5,000 (Five Thousand) Class F Compulsorily Convertible Non- Non-Cumulative Preference Shares of INR 10 (Rupees Ten) each.
- j) 8,86,000 (Eight Lakh and Eighty-Six Thousand) Compulsorily Convertible Preference Shares of INR 10 (Rupees Ten) each.
- k) 20,000 (Twenty Thousand) 0.1% Series A Compulsorily Convertible Preference Shares of INR 10 (Rupees Ten) each.
- l) 20,000 (Twenty Thousand) 0.001% Series A1 Compulsorily Convertible Preference Shares of INR 10 (Rupees Ten) each.
- m) 5,000 (Five Thousand) 0.1% Series B Compulsorily Convertible Preference Shares of INR 100 (Rupees Hundred) each”

9.2. With effect from the Appointed Date and upon the Scheme becoming effective, the main objects of the Transferor Company-1 and Transferor Company-2 as covered in Paragraph B(ii) and Paragraph (iii) respectively of this Scheme shall be added to the existing main objects of the Transferee Company in clause A of Article III of its Memorandum of Association. The amended Clause III (A) of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

1. *"To carry on the business of marketing, manufacturer of all kinds of goods, products, commodities and services as traders, wholesaler, distributors, stockiest, dealers, agents, suppliers, importers, repurchase and consultants of various items on the Company's online portals or websites as well as through e-commerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner.*
2. *To carry on the business of purchasing, selling, distributing, trading, acting as an agent, franchising, collaborating exporting, importing, merchandising, manufacturing, designing, packaging and dealing with all kinds of products, goods, commodities, merchandise, accessories and equipment's relating to, which includes but is not limited to, beauty, fitness, personal health care, skin care, hair care, diet related, home remedies, homeopathy, ayurvedic, herbal and other alternative medical or therapeutic treatments, wellness products and equipment's and any other women centric products on the Company's online portals or websites as well as through e-commerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner.*
3. *To carry on the business to manufacture, get manufactured, brand, co-brand, prepare, pack, have packed, import, export, buy, sell, supply, distribute, indent, store, stock, maintain and otherwise handle, deal in and carry on business in all kinds and varieties of cosmetics, hair and skin products, toiletries, soaps, health, home and beauty care products, nutritional supplements, lotions, ointments, foods, beverages, medicines, vitamins, drugs, mixtures, formulations, capsules, tablets, pills powders, syrups, liquids, oils, herbs and herbal products including herbal teas, minerals, extracts, tinctures, suspensions, and all preparations in the system of Allopathy, Ayurveda, Homeopathy, Aroma Therapy, Flower Remedies, Unani, Naturopathy and all other therapies and related products and by-products.*

4. *To carry on the business so as to provide information, as directory cum information service provider to primarily, though not exclusively, parents for their kids growth and development, on all types of facilities and hyper-locally available platforms, including internet, mobile internet, call-centre, sms, magazines and newsletters in India and abroad. These local services and facilities include information on:
a) All kinds of creches, play schools, schools, hobby classes, other educational institutes, sports facilities and coaching centres, pediatrician, health and wellness, leisure activities, vacation and holiday trip agencies, kids toy shops and all other ancillary and incidental activities necessary for the holistic growth and development of kids.*
5. *To provide all the above-mentioned services in-house so as to provide holistic development support for all age groups of kids in India and abroad.*
6. *To build & provide products and solutions for businesses primarily, though not exclusively, targeting parents for kids-related services in India and abroad. To create, operate, maintain and manage web-portal/s, software, social internet based platform, press to enable buying, selling, advertising and marketing, PR and communications, promotion and delivery/distribution of all kinds of services related primarily, though not exclusively, to kids.*
7. *To be a franchisee, dealer, distributor or to appoint sole selling agents, franchisees, distributors, reseller etc. and to provide services in India or outside India for services related to kids.*
8. *To provide on-ground event management services for businesses/institutions targeting parents/kids in India and abroad.*
9. *To provide consultancy and advisory services to brands and businesses targeting the kids segment in India and abroad.*

10. To aggregate, represent, market and generate sponsorships for kids-related events, media and marketing properties to companies and brands targeting kids/parents in India and abroad.

11. To conceptualize, execute, promote and sell tickets with respect to events related to parents and kids in India and abroad.”.

- 9.3. Pursuant immediately to the increase of authorized share capital and the addition of main objects as envisaged above, the Memorandum of Association of Transferee Company shall automatically stand amended and altered accordingly.
- 9.4. Transferee Company shall file the amended copy of its Memorandum of Association and Articles of Association with the Appropriate Authority within a period of 30 days (or within such time as prescribed under Applicable Law) from the Effective Date and the Appropriate Authority shall take the same on record.
- 9.5. It is hereby clarified that the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61, Section 64 or any other applicable provisions of the Act, would be required to be separately passed.

10. Accounting Treatment

ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY FOR THE MERGER OF TRANSFEROR COMPANY 1 AND TRANSFEROR COMPANY 2 WITH THE TRANSFEREE COMPANY

Upon the Scheme becoming effective, the amalgamation of the Transferor Company-1 and Transferor Company-2 with the Transferee Company will be accounted for in the following manner:

- 10.1.1. Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company 1 and Transferor Company 2 in its books of accounts in accordance with Indian Accounting Standards

(Ind AS) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, and the date of such accounting treatment would be in accordance with the applicable Ind AS:

10.1.2. The accounting treatment will be as under:

- a. The Transferee Company shall record the assets and liabilities, if any, of the Transferor Company 1 and Transferor Company 2 vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company;
- b. The identity of the reserves pertaining to the Transferor Company 1 and Transferor Company 2 shall be preserved and the Transferee Company shall record the reserves of the Transferor Company 1 and Transferor Company 2, in the same form and at the carrying values as appearing in the consolidated financial statements of the Transferee Company;
- c. Pursuant to the amalgamation, the inter-company balances between the Transferee Company and the Transferor Company 1 and Transferor Company 2, if any, appearing in the books of the Transferee Company shall stand cancelled without any further act or deed and there shall be no further obligation in that behalf; For the avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or other charges in respect of any such loans, advances, and other obligations.
- d. In case of any differences in accounting policies between the Transferor Company-1, Transferor Company-2 and Transferee Company, the accounting policies followed by the Transferee Company shall prevail and the difference shall be adjusted in appropriate reserve of the Transferee Company, to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.

- e. The value of investments held by the Transferee Company in Transferor Company 1 and Transferor Company 2 shall stand cancelled pursuant to amalgamation;

10.1.3. The surplus/deficit, if any arising after taking the effect of clauses 10.1.2, shall be transferred to Capital Reserve in the financial statements of the Transferee Company and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

10.1.4. The Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of the merger of the Transferor Company 1 and Transferor Company 2 , as stated above, as if the merger had occurred from the beginning of the comparative period presented. However, if common control over the Transferor and Transferee Companies came into existence after that date, the prior period information shall be restated only from the date of the common control. \

10.1.5. For accounting purpose, the Scheme will be given effect when all substantial conditions for the transfer of business are completed.

10.1.6. Any matter not dealt with in clauses herein above shall be dealt with in accordance with the applicable accounting standards.

11. Saving of Concluded Transactions

11.1. The transfer of Business and Undertaking of the Transferor Company-1 and Transferor Company-2 as envisaged above shall not affect any transaction or proceedings already concluded by the Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferor Company-1 and Transferor Company-2 accept and adopts all acts, deeds and things done and executed by the Transferee Company in respect thereto as done and executed by Transferee Company on behalf of itself.

12. Dissolution of Transferor Company-1 and Transferor Company-2

- 12.1. Upon this Scheme becoming effective, Transferor Company-1 and Transferor Company-2 shall without any further act or deed, stand dissolved without being wound up without any further act or deed by the parties. The name of Transferor Company-1 and Transferor Company-2 shall be dissolved and removed by the Registrar of Companies. Transferee Company shall make necessary filings in this regard.

PART-III: GENERAL TERMS AND CONDITIONS

13. Provisions Applicable to the Scheme

13.1. Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative in the order mentioned hereunder:

- a. Amalgamation of Transferor Companies into and with the Transferee Company in accordance with Part II of the Scheme;
- b. Combination of the authorised share capital of the Transferor Company-1, Transferor Company-2 and the Transferee Company as provided in Paragraph 9 of Part II of this Scheme;
- c. Amendment of the main objects of the Transferee Company as provided in Paragraph 0 of Part II of the Scheme;
- d. Dissolution of the Transferor Company-1 and Transferor Company-2 as provided in Paragraph 12 of Part- II of this Scheme.

14. Application to Tribunal

14.1. The Transferor Company-1 and the Transferee Company shall make all applications/ petitions to Tribunal-New Delhi and the Transferor Company-2 shall make all applications/ petitions to Tribunal-Chandigarh, under sections 230 and 232 and other applicable provisions of the Act for sanctioning of this Scheme and obtain all approvals as may be required under Applicable Law.

15. Listing Agreement and SEBI Compliances

15.1. Since the Transferee Company is a listed company, this Scheme is subject to the compliance of all the requirements under the Listing Regulations and all statutory

directives of SEBI insofar as they relate to the sanction and implementation of the Scheme.

- 15.2. Per the Regulation 37(6) of the Listing Regulations relaxation has been provided in relation to the requirement of obtaining prior approval or no objection/ observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft Scheme shall be filed with the Stock Exchanges for disclosure purposes in compliance with the above Regulation.

16. Conditionality of the Scheme

Subject to the provisions of this Scheme, this Scheme shall become effective on the last of the following dates (“**Effective Date**”):

- 16.1. The Scheme as sanctioned by the Tribunal-Chandigarh and thereafter by Tribunal-New Delhi (being the jurisdictional Tribunal of the Transferee Company) under Sections 230 to 232 of the Act and certified copies of such Orders of the Tribunal-Chandigarh and Tribunal-New Delhi sanctioning the Scheme being filed with the Registrar of the Companies by the Transferee Company and the Transferor Companies, as may be applicable.
- 16.2. The receipt of the requisite, consent, approval, or permission of any Government, statutory or regulatory authority which under Applicable Law may be necessary for the implementation of this Scheme.

17. Modification or Amendments to the Scheme

- 17.1. Transferor Companies and the Transferee Company, through their respective Board of Directors (which shall include any committee or person authorized by the said Boards in this regard) may assent from time to time, on behalf of all persons concerned, to (i) any extension, modifications which either the Board of Directors of Transferor Companies and the Transferee Company, deem fit and/ or approved/ imposed by the creditors/ members or any other authority, (ii) amendments to the Scheme (including

modification in the Appointed Date) or (iii) to any conditions or limitations that the respective Tribunal-New Delhi and Tribunal-Chandigarh, and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. Transferor Companies and the Transferee Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

- 17.2. For the purpose of giving effect to this Scheme or modifications or amendments thereof or additions thereto, the Board of Directors of Transferor Companies and the Transferee Company, including any person(s) or committee as may be authorized by the respective Board of Directors on their behalf may give and are hereby authorized to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all the parties in the manner as if the same were specifically incorporated in this Scheme.

18. Revocation or Withdrawal of the Scheme

- 18.1. Subject to the order of the respective Tribunal-Chandigarh and Tribunal-New Delhi, the Board of Directors of the Companies shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage if: (i) this Scheme is not being sanctioned by the respective Tribunal-Chandigarh and Tribunal-New Delhi or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (ii) in case any condition or alteration imposed by the respective Tribunal-Chandigarh and Tribunal-New Delhi, shareholders/ creditors of the Companies or any other authority is not acceptable to the Board of Directors of the Companies; (iii) the Board of Directors of the Companies are of the view that the coming into effect of this Scheme in terms of the provisions of this Scheme or filing of the drawn up order with any Governmental Authority could have adverse implication on all or any of Transferor Companies and the Transferee Company; (iv) any change in Applicable Law; (v) owing to reasons as

otherwise deemed fit by the Board of Transferor Companies and the Transferee Company. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed is done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

- 18.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies, and/or their respective shareholders and/or creditors, and the terms and conditions of the Scheme, the latter shall prevail.

19. Severability

- 19.1. If any part of this Scheme is determined to be invalid, illegal or unenforceable by the Tribunal or any Court(s) of competent jurisdiction or is otherwise found to be unworkable for any reason whatsoever, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and the remainder of the Scheme shall remain in full force and effect as if such provision (or part thereof) had not originally been contained in the Scheme. Further, if deletion of such part of the Scheme shall cause this Scheme to become materially averse to the Transferor Companies and/ or Transferee Company, then in such case the Companies shall attempt to bring about a modification in this Scheme, that will best preserve for the Companies the benefits and obligations of this Scheme, including but not limited to such part.

20. Costs, Charges and Expenses

- 20.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with the Scheme

and matters incidental thereto, shall be on account of and borne by Transferee Company.

21. Miscellaneous

- 21.1. Any doubt or difference or issue between the parties hereto or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any equity shares in the Transferee Company or any equity shares in the Transferor Companies, as to the construction thereof or as to any account, valuation to be taken or made of any asset or liability transferred to the Transferee Company or as to anything else contained in or relating to or arising out of this Scheme, shall be decided jointly by the Boards of the Transferor Companies and the Transferee Company, whose decision shall be final and binding on all concerned.
- 21.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies, and/or their respective shareholders and/or creditors, and the terms and conditions of the Scheme, the latter shall prevail.
- 21.3. In the event of this Scheme not becoming effective, this Scheme shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred inter-se by, the parties or their respective shareholders or creditors or employees or any other person.
