



May 6, 2021

The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Corporate Relationship Department, Bandra (East), Mumbai - 400 051.	The BSE Limited, P. J. Towers, Dalal Street, Fort, Mumbai - 400 023.
Code : PRSMJOHNSN	Code: 500338

Re: Intimation under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir,

Further to our letter dated May 4, 2021, we enclose herewith certified copy of the Order dated April 28, 2021 received on May 5, 2021 from the Hon'ble National Company Law Tribunal, Hyderabad Bench along with the Composite Scheme of Arrangement and Amalgamation amongst Prism Johnson Limited, H. & R. Johnson (India) TBK Limited, Milano Bathroom Fittings Private Limited, Silica Ceramica Private Limited, TBK Rangoli Tile Bath Kitchen Private Limited, TBK Venkataramiah Tile Bath Kitchen Private Limited, TBK Samiyaz Tile Bath Kitchen Private Limited and their respective shareholders and creditors.

This is for your information and record.

Thanking you,

Yours faithfully,

for **PRISM JOHNSON LIMITED**

ANEETA S. KULKARNI
COMPANY SECRETARY

Encl. : As above



**NATIONAL COMPANY LAW TRIBUNAL
BENCH-1 HYDERABAD**

CP CAA. NO.1/230/HDB/2020

*PETITION UNDER SECTIONS 230 AND 232 READ WITH SECTION 52
OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE
PROVISIONS AND RULES THEREUNDER*

**IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT
AND AMALGAMATION AMONGST**

PRISM JOHNSON LIMITED

AND

H. & R. JOHNSON (INDIA) TBK LIMITED

AND

MILANO BATHROOM FITTINGS PRIVATE LIMITED

AND

SILICA CERAMICA PRIVATE LIMITED

AND

TBK RANGOLI TILE BATH KITCHEN PRIVATE LIMITED

AND

TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED

AND

TBK SAMIYAZ TILE BATH KITCHEN PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. Prism Johnson Limited

Having its Registered Office at:
305, Laxmi Niwas Apartments,
Ameerpet, Hyderabad,
Telangana - 500016

**... Petitioner No. 1/Amalgamated Company/
Resulting Company No. 2**

2. H. & R. Johnson (India) TBK Limited

Having its Registered Office at:
Windsor, 7th Floor,
CST Road Kalina,
Santa Cruz (E) Mumbai,
Maharashtra - 400098

**...Petitioner No. 2/Demerged Company No. 4/
Resulting Company No. 1**



3. Milano Bathroom Fittings Private Limited

Having its Registered Office at:
Plot No. 30 Industrial Township Phase 4,
Himuda, Bhatoli Kalan, Baddi, Solan,
Himachal Pradesh - 173205

... Petitioner No. 3/Amalgamating Company No. 1

4. Silica Ceramica Private Limited

Having its Registered Office at:
Narayanapuram Unguturu Mandal,
Narayanapuram,
Andhra Pradesh - 534407

... Petitioner No. 4/Amalgamating Company No. 2

5. TBK Rangoli Tile Bath Kitchen Private Limited

Having its Registered Office at:
Ground Floor, Kaddiya Wadi,
Azad Road Near Fire Brigade Station,
Vile Parle (East) Mumbai,
Maharashtra - 400057

... Petitioner No. 5/Demerged Company No. 1

6. TBK Venkataramiah Tile Bath Kitchen Private Limited

Having its Registered Office at:
No.56 A, Ramamurthy Nagar Main Road,
Dodda Banaswadi, Opp. New Baldwin Residential School,
Bangalore,
Karnataka - 560043

... Petitioner No. 6/Demerged Company No. 2

7. TBK Samiyaz Tile Bath Kitchen Private Limited

Having its Registered Office at:
G 5-10, Ground Floor, Plot no. 6,
Savita Raj Complex, Kala Manak Flat Owners Society,
CIDCO, New Aurangabad,
Maharashtra - 431003

... Petitioner No. 7/Demerged Company No. 3

And

Their Respective Shareholders and Creditors

Date of order 28.04.2021

Coram:

Hon'ble Shri Bhaskara Pantula Mohan, Member (Judicial)

Hon'ble Shri Veera Brahma Rao Arekapudi, Member (Technical)

Appearance:

For Petitioners: Shri S. Ravi, Senior Advocate assisted by Shri Noorul Hassan and Shri Dinesh Eedi Advocates for M/s Lakshmikumaran and Sridharan

Heard on: 06.04.2021

**PER: SHRI VEERA BRAHMA RAO AREKAPUDI
MEMBER (TECHNICAL)**

1. This is a joint Petition filed under section 230-232 read with section 52 and other applicable provisions of the companies act, 2013 Read with Rule 3(2) and other applicable rules of the Companies (Compromises, Arrangements And Amalgamations) Rules, 2016 seeking approval to the Composite Scheme of Arrangement and Amalgamation of Demerger of retail/trading business undertakings of **TBK Rangoli Tile Bath Kitchen Private Limited (Demerged Company-1)**, **TBK Venkataramaih Tile Bath Kitchen Private Limited (Demerged Company-2)** and **TBK Samiyaz Tile Bath Kitchen Private Limited (Demerged Company-3)** into its holding Company **H & R Johnson (India) TBK Limited (Resulting Company-1 or Demerged Company-4)** and subsequent demerger of retail/trading business undertaking of **Demerged Company-4 into Prism Johnson Limited (Resulting Company-2 or Amalgamated Company)** and reduction of share capital of **Silica Ceramica Private Limited (Amalgamating Company-2)** and subsequent amalgamation of **Milano Bathroom Fittings Private Limited (Amalgamating Company-1)** and **Amalgamating Company 2** in to the **Amalgamated Company** and their respective **shareholders** and Creditors with effect from the Appointed

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Date i.e. 01.04.2018. The Composite Scheme of Arrangement and Amalgamation is annexed as Annexure – A-5 (page Nos 879-943).

2. It is averred that, the Petitioner No.1 is the main holding company of the group and the ultimate transferee company in the proposed Scheme. The Petitioner No. 1 is listed on BSE Limited (“BSE”) and the National Stock Exchange Limited (“NSE”) in India. The Petitioner No.2, Petitioner No.3 and the Petitioner No.4 Companies are wholly owned subsidiaries of Petitioner No. 1. Petitioner No.5, Petitioner No.6 and Petitioner No.7 Companies are wholly owned subsidiaries of Petitioner No. 2 Company, which is a wholly owned subsidiary of Petitioner No.1.
3. The Counsel for the Petitioners submit that the Board of Directors of the Petitioner Companies have approved the Scheme in their respective meetings held on 23.10.2019

4. **SEQUENCE OF COMPOSITE ARRANGEMENT AND AMALGAMATION OF THE SCHEME BETWEEN THE PETITIONER COMPANIES:**

The sequence followed by the **Petitioner Companies** in the proposed composite scheme of arrangement and amalgamation are as under:

- 4.1 **Demerger-1:** The demerger of the respective retail/trading business undertakings of **Petitioners No. 5, 6 & 7**, and transfer of their respective demerged undertakings (**collectively referred to as “Part-III Demerged Undertakings**) comprising of all their properties, assets, liabilities, permits, licenses, registrations, investments, contracts etc., into **Petitioner No. 2** on a going concern basis;
- 4.2 **Demerger-2:** Subsequent demerger of the retail/business undertaking of **Petitioner No. 2** and transfer of the its demerged undertaking (**referred to as Part-IV Demerged Undertaking including Part III Demerged Undertakings vested upon Demerger 1**) comprising of all its properties, assets, liabilities, investments, permits, licenses, registrations, contracts etc., into **Petitioner No. 1** on a going concern basis.



4.3 Adjustment of Securities Premium with the debit balance of Retained earnings, to the extent available, by way of Capital Reduction in terms of Section 52 and other applicable provisions of the 2013 Act in the books of **Petitioner No. 4** and;

4.4 **Amalgamation:** Subsequent amalgamation of **Petitioners No. 3 and 4** with **Petitioner No. 1**.

5. The rationale for the Scheme is that the Arrangement will inter-alia, result in achieving the following benefits:

- a) Elimination of multiple entities, better realisation of potential of the businesses and yield beneficial results.
- b) Reducing the multiplicities of legal and regulatory compliances
- c) Reducing time and efforts for consolidation of financials.
- d) Elimination of duplicative communication and coordination efforts.
- f) Rationalisation of administrative and compliance costs

6. The Company Petition is filed in pursuance of order dated 14 October 2020 passed in CA (CAA) 91/230/HDB/2020. The Petitioner Companies have complied with all the requirements as per directions of this Tribunal and have filed necessary affidavits of compliance with the Tribunal.

The Regional Director (South Eastern Region), Ministry of Corporate Affairs, Hyderabad has filed Report dated 22.03.2021, inter alia, stating therein that save and except as stated in para 4 to 12 of the Report, the Scheme is not prejudicial to the interest of shareholders and public. In response to the observations made by the Regional Director, the Petitioner Companies have also given necessary undertakings and clarifications through their reply affidavit dated 24 March 2021. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies are summarized in the table below:



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Sr. No. Para	RD's report / Observation 22.03.2021	Response of the Petitioner
4(a) 5(a)	Petitioner Companies to preserve its books of accounts and papers and records and not to dispose of without the prior permission of the Central Government in terms of Section 239 of Companies Act, 2013.	The Petitioner Companies undertake to comply with the same.
4(b) 5(b)	Petitioner Companies to ensure compliance of all statutory compliance of all applicable laws and also on sanctioning of the Scheme the Petitioner Companies shall not be absolved for any of its statutory liability in any manner.	The Petitioner Companies undertake to comply with the same.
4(c) 5(c)	Petitioner Companies to comply with Rule 17(2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013.	Petitioner Companies undertake to comply with the same.
4(d)	Compliance with Section 66 of CA, 2013	The Petitioner Companies submit that the procedures followed for obtaining sanction of the Scheme under Sections 230-232 of the CA, 2013 is sufficient for the purpose of compliance under Section 66 of CA, 2013 in respect of Petitioner Company No.4, which has been contemplated at Part. V, Para 25.4 of the Scheme.
4(e) 6(a)	Compliance under SEBI Act and Regulations as Transferee Company, Resulting Company No.2 and Amalgamating Company are listed Companies	The Petitioner Companies submit that an intimation dated 23.10.2019 regarding the proposed scheme along with copies of requisite documents thereof, has been submitted to NSE and BSE. Further the Petitioner companies rely on the circulars dated 10.03.2017 and 03.01.2018 issued by SEBI which provides for a merger and demerger of wholly owned subsidiaries with their holding companies and as such the Petitioner Companies are exempted from complying with the provisions of Regulation 37 of SEBI (LODR). However Petitioner No.1 Company being a listed company have complied with all requisite compliances under SEBI LODR.
4(f)	To co-operate with Inquiry pending under Section 206 against Petitioner No.1 Company	Petitioner No.1 Company undertakes to fully co-operate with any inquiry under process/to be undertaken by RoC.
5 (d) 7(a)	Transferee Company to file an Application indicating the Revised authorised share capital and proof of paying prescribed fees due on revised capital after setting off the fee already paid by the Transferor Companies.	The Petitioner No.1 Company, pursuant to amalgamation, undertakes to file a letter indicating the revised authorised share capital after the combination of authorised share capital of Petitioner Companies 3 & 4. The Petitioner No.1 Company further undertakes to pay the prescribed fee, if any, due on revised capital after setting off the fee already paid by Petitioner Companies 3 & 4.



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6(b) 8(b)	To direct the Petitioner Company to change the appointed date from 01.04.2018 to 01.04.2020 and furnish the amended copy of the Scheme duly signed by the Directors of the Company	It is submitted that the Petitioner Companies have complied with the specific conditions as mentioned in Clause 6 (d) of the MCA Circular No. 9/2019 dated 21.08.2019 if the Appointed Date is ante dated, which has been brought out in Clause 40 of the Scheme. It is further clarified that the Board Resolutions approving the Scheme were passed on 23.10.2019 merely six months after completion of FY 2018-19 and as such 01.04.2018 was fixed as Appointed Date. But owing to current prevailing situation the sanction of the Scheme could not be done within the timelines.
6(c)	To direct Demerger Co. No.2 to comply with the provisions of Section 179 (3) of the Companies Act, 2013 being a subsidiary of listed company.	The Board of the said Company has approved the Scheme on 23.10.2019, thus complying with the provisions of Section 179(3) of Companies Act,2013,
6(d)	To direct Demerger Co. 2 to comply with the provisions of Section 188 of CA, 2013	It is submitted that all transactions entered into by Petitioner No.6 company and all other Petitioner Companies are in the normal course of business and in compliance with provisions of Section 188 of the CA, 2013. The same has been certified that statutory auditors in their Audit report for the FY 2019-2020.
6(e)	To direct Demerger Co.2 to comply with the consumer grievance	It is submitted that Demerger Co.2 has deposited Rs. 3,53,000/- with the District Forum as ordered by the State Commission vide its order dated 28.02.2020 and appropriate order was passed by District Forum on 13.11.2020 confirming the payment of amount to the Consumer.
8(a)	To direct the Petitioner Company to furnish the compliance of Accounting Standards	The Petitioner Companies undertake to comply with other applicable Accounting Standards, such as IND AS 8 and IND AS 103.
8 (c)	To furnish an undertaking by the Petitioner Companies that the surplus shall be credited to Capital Reserve Account arising out of amalgamation and deficits to be added to Goodwill Account and further direct the Petitioner Companies to give an undertaking that reserves shall not be available for distribution of dividend.	The Petitioner Companies submit that they would comply with the observation pointed out by RD upon demerger and that they would undertake that such reserves shall not be used for paying the dividend.
8 (d) and (e)	To direct the Petitioner Companies to provide details of assets demerged from Demerged Companies.	The Petitioners have furnished the details of assets demerged from Petitioners No. 5,6 & 7 into Petitioner No.2 and from Petitioner No.2 Company to Petitioner No.1 Company and details of retained undertaking of Petitioner 2, 5, 6 & 7 and standalone balance sheets of the companies post demerger as annexure 4 of the Reply Affidavit.



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9	FEMA and RBI approval in case of having foreign shareholding or allotment of shares to any NRI	The Petitioner Companies submit, since the Scheme involves amalgamation and arrangement between a holding company and its wholly owned subsidiaries (WOS), no consideration shall require to be issued post amalgamation/arrangement. Post implementation of the Scheme no shares are to be allotted to any foreign entity / person/ NRI and they shall continue to remain as shareholders of Petitioner No.1 Company. It is further submitted that there is no requirement for any approvals / permissions from RBI under the provisions of FEMA and/or as per any notifications/circulars issued by RBI.
10	Reference to observations pointed out para No. 6 of Official Liquidator's report	The Petitioner Companies submit that the observations of Official Liquidator have been complied with.

8. The observations made by the Regional Director have been explained and the same have been clarified by the Petitioner Companies in Para 7 above. The undertakings filed by the Petitioner Companies in response to the said report are accepted by this Tribunal.
9. It is further observed at para 11 of the Regional Director's report that letter dated 27.01.2021 has been issued to Income Tax Office, Telangana, Andhra Pradesh, Mumbai, Karnataka, Chandigarh. In response, the Assistant Commissioner of Income Tax, Rajamahendravaram, Andhra Pradesh vide letter dated 15.02.2021 has stated that M/s Silica Ceramica Private Limited/ Petitioner No.4 is 100% subsidiary Company of the parent Company viz Prism Johnson Limited/Petitioner No.1 Company and there do not arise any tax issues in the hands of the assessee company i.e. Petitioner No.4. It is further stated in the said letter that after verification of the office records and ITBA Portal, there are no income tax demands outstanding as on date and no prosecution proceedings are either launched or contemplated against the assessee Company/Petitioner No.4 Company and that they do not have any objection to the Scheme of Amalgamation between Petitioner No.1 and Petitioner No.4 Companies.



10. It is stated at para 12 of the RD's Report that letter dated 27.01.2021 was issued to SEBI, NSE and BSE and till date no report/comments have been received by them.
11. The Official Liquidator has filed his report dated 04th March, 2021 pointing out certain observations at para 6 of his report. The observations made by the Official Liquidator and the clarifications and undertakings given by the Petitioner Companies are summarised as under:-

Sr. No. Para	Official Liquidator Observations 04.03.2021	Response of the Petitioner 18.03.2021 and additional reply dated 23.03.2021
6(a)	To direct the Petitioner No.4 and Petitioner No.1 to submit an undertaking that there would be no retrenchment of any employee who were in service as on Appointed Date i.e. 01.04.2018	Petitioner Companies through their Learned Counsel submits that an Affidavit dated 10.03.2021 in this regard has been furnished to this Tribunal.
6 (b)	To direct the Petitioner Company No.4 to serve notice of the Scheme on Government of A.P, in view of the disclosure made in Note No.4.05 and 4.07 of the Financial Statements of Petitioner No.4	It is submitted that the relevant incentive authority of A.P has been intimated on 23.10.2019 followed by an additional intimation dated 11.03.2021.
6(c)	To direct Petitioner No.4 to comply with Section 66(1)(b)(i) by cancelling it and further to comply with Section 66(3) and 66(4) of the Companies Act, 2013	It is submitted that the provisions of Section 66 of the Act shall not apply to the reduction of share capital of Petitioner No.4 which will become effective pursuant to the order of this Tribunal as per the explanation to Section 230(12) of the Companies Act, 2013. On this issue, the Petitioner Companies have relied on the order passed by Hon'ble Appellate Tribunal in the matter of R. Systems International Limited 2018 SCC Online NCLAT 321. The Petitioner No.4 Company has undertaken to comply with the relevant accounting standards governing reduction of share capital. Copy of certificate issued by Chartered Accountant confirming compliance by Petitioner No.4 is annexed along with Additional reply dated 23.03.2021.



12. The Dy. Commissioner, Circle-1 (1) Chandigarh vide his report dated 05.04.2021 has pointed out certain observations. The observations made by the IT Department, Chandigarh and the clarifications given by the Petitioner Companies are summarised as under:-

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Sr. No. Para	IT Chandigarh Observations 05.04.2021	Counter of the Petitioner Dated 06.04.2021
2.	Outstanding Tax Demand for the AY 2017-2018 and AY 2015-16	<p>It is clarified that the Tax Demand of Rs. 60,275/- pertains to AY 2014-15 and not for AY 2017-18 as pointed out by IT Dept. However, it is submitted that the said demand has been partly adjusted against refund for later years and the balance amount has already been paid, which has been intimated to IT Dept and copy of payment challan is attached as Annexure-1 of the counter.</p> <p>It is further submitted that Tax Demand of Rs. 2,85,651/- for AY 2015-16 raised vide Assessment order dated 30.05.2019 has already been paid on 21.06.2019 and copy of the payment challan is annexed to the Counter as Annexure-2. It is stated that the Company has already filed two rectification applications on 11.03.2020 and 14.05.2020 with the IT Dept and copies of the same are annexed as Annexure-3.</p>
5	<p>In AY 2019-20 the total income of the assessee has risen abnormally high i.e. from Rs. 2.06 cr to Rs. 5.04 cr, whereas sales have actually gone down marginally from Rs. 56.54 Cr to Rs. 56.40 Cr during the same period.</p> <p>The capital Redemption Reserve has increased from Rs. 37.50 lacs in AY 2017-18 to Rs.2.25 cr in AY 2019-20.</p>	<p>It is clarified that the Petitioner No.3 Company has two manufacturing Units, one in Baddi, Himachal Pradesh and another in Samba, J&K. The Unit in Samba was eligible for benefit of deduction @ 100% of profits for first 5 years ending 31.03.2019 and 30% of profits for the next 5 years under Section 80-IB of IT Act, 1961. In AY 2019-20, Samba Unit claimed deduction @ 100% of the profit earned by the Unit.</p> <p>However, in AY 2020-21, post completion of first 5 years, Samba Unit had claimed deduction @ 30% of the profit earned by Unit (post completion of 5 years) as per the provisions of Section 80-IB of IT Act, 1961. As such, total income increased from Rs. 2.06 Cr in AY 2019-20 to Rs. 5.04 cr in AY 2020-21 although sales have declined marginally.</p> <p>As regards to the said observation, the Petitioner Company submits that it has redeemed Preference Share Capital of Rs. 187.50 lacs in AY 2019-20 and accordingly the Capital Redemption Reserve has increased from Rs. 37.50 lacs in AY 2017-18 to Rs.2.25 Cr in AY 2019-20.</p> <p>It is stated that pursuant to Scheme becoming effective, all the assets and liabilities along with the reserves and surplus of the Petitioner No.3 Company, being a wholly owned subsidiary shall stand transferred to its holding company i.e. Prism Johnson Limited (Petitioner No.1 Company). Accordingly, all necessary impact shall be given in the Books of Accounts of Petitioner No.1 Company.</p> <p>It is further clarified that, for the Assessment Years 2017-18 & 2018-19, assessment is yet to be concluded by passing final assessment order and hence as on date there is no pending tax demand with respect to both the years.</p>

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<p>As the Assesse Company is a wholly owned subsidiary, it is not possible to offer specific comments & tax liability, regarding the impact of the above adjustment on the entire Scheme of Amalgamation and pending Tax Demand for AYS 2017-18 to 2019-20.</p>	<p>As regards, AY 2019-20 is concerned, the assessment is yet to be taken up. It is further the contention of the Learned Counsel for Petitioners that Petitioner No.1/Amalgamated Company has adequate funds and shall undertake to set apart amounts to meet the tax demand for AY 2017-18 to 2019-2020 as and when they arise.</p> <p>Further Clause 26.7 of the Scheme stipulates that all liabilities and legal proceedings of Petitioner No.3 Company shall stand transferred to and vested in or be continued and/or enforced by or against Petitioner No.1 Company. Also Petitioner No.1 Company undertakes that it shall remain obliged to and do the needful in relation to all obligations, demands and legal charges that may arise with respect to Petitioner No.3 Company in accordance with applicable laws.</p>
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13. No investigation or proceedings under the Companies Act, 1956 / Companies Act, 2013 have been instituted or are pending in relation to the Petitioner Companies. It is further submitted that no petition under Section 241 of Companies Act, 2013 has been filed against the Petitioner Companies and that there has been no material change in the affairs of the Petitioner Companies except what was done in the normal course of business.
14. That the Scheme does not contemplate a Corporate Debtor Structuring exercise, for any of the Petitioner Companies and as such does not require compliance under Section 230(2)(c) of CA, 2013.
15. It is further stated that the shareholders of the respective Petitioner Companies are interested in the Scheme and that no rights of the shareholders are getting affected in any manner whatsoever as the net-worth of the Petitioner No.1 Company is positive, post approval of the Scheme. The Learned Counsel for the Petitioner Companies therefore urged this Tribunal to approve the Scheme of Arrangement.
16. We have heard the Learned Senior Counsel appearing for the Petitioner Companies and perused the material papers on record. The summary of the report of Regional Director, official Liquidator and IT Department Chandigarh and the reply given by Petitioner Companies are stated against each above. We are



convinced with the reply by the Petitioner Companies with regard to above observations. The Petitioner No.1 Company i.e Prism Johnson Limited is the ultimate holding Company of the other Petitioner companies; each of the Petitioner No.2 to 4 are its wholly owned subsidiaries and the Petitioner No. 5 to 7 are wholly owned subsidiaries of Petitioner No.2 Company. The Scheme does not contemplate any compromise or arrangement with any secured and unsecured creditors and the Scheme does not adversely affect the rights of any creditor. Considering the facts, perusal of the scheme and submissions made by the Learned Senior Counsel, the Scheme appears to be fair and reasonable and is not contrary to public policy and does not violate any of the provisions of law. Moreover, Petitioner Companies through their Counsel undertake to comply with all statutory requirements, if any, as required under the Act, and the Rules made there under as applicable. The undertakings given by the Petitioners are accepted.

17. The Bench pass the following orders:-

ORDER

- 17.1 While Approving the Scheme, we make it clear that this order should not be construed as an order in anyway granting exemption from payment of Stamp Duty, taxes or any other charges, if any, payable in accordance with law or in respect of any permission/compliance with any other requirement which may be specially required under any law.

- 17.2. The Appointed Date is fixed as 01.04.2018.

- 17.3. The Scheme of Amalgamation as consented by the Equity Shareholders, Secured, Unsecured and Trade Creditors of the petitioner companies, is sanctioned and confirmed so as to be binding on all the members, creditors, employees, concerned statutory and regulatory authorities and all other stakeholders of the Petitioner Companies.

- 17.4 The Petitioner Companies to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme



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the Petitioner Companies shall not be absolved for any of its statutory liability in any manner.

- 17.5 The Petitioner Companies involved in the Scheme to comply with Rule 17 (2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013. The Petitioner Companies within 30 days after the date of receipt of certified copy of the order, shall cause certified copy to be delivered in Form INC-28 to the Registrar of Companies concerned for registration and on such certified copy being delivered, Registrar of Companies concerned shall take all necessary consequential action in respect of the Petitioner Companies.
- 17.6 The tax implications, if any, arising out of the scheme is subject to final decision of Concerned Tax Authorities and the decision of the Concerned Tax Authorities shall be binding on the Transferee Company. The sanction of the Scheme by this Tribunal shall not forbid the revenue authority from taking appropriate recourse for recovering the existing and previous tax liabilities of the Petitioner Companies.
- 17.7 The Petitioner Companies 3 & 4 shall be dissolved without going through the process of winding up.
- 17.8 Direct the Petitioner Companies to comply with the observations pointed out by Regional Director (SEZ), Official Liquidator and IT Department, Chandigarh, if any and the undertakings given by it.
- 17.9 The Petitioner Companies shall until the completion of the Scheme of Amalgamation, file a statement in such form and within such time as prescribed with the Registrar every year duly certified by a Chartered Accountant or a Cost Accountant or a Company Secretary to the effect that the Scheme of Amalgamation is being complied with in accordance with the orders of the Tribunal as required under Section 232 (7) of the Companies Act, 2013.

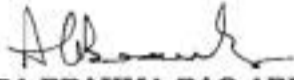


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17.10 All concerned shall act on a copy of this Order along with Scheme duly authenticated by the Deputy/Assistant Registrar of this Tribunal.

17.11 Any person interested shall be at the liberty to apply to the Tribunal in the above matter for any directions that may be necessary.



(VEERA BRAHMA RAO AREKAPUDI)
MEMBER (TECHNICAL)



(BHASKARA PANTULA MOHAN)
MEMBER (JUDICIAL)

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Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench



5/5/21

प्रमाणित प्रति
CERTIFIED TRUE COPY

केस नंबर (P/CA/2021/320/HDB/2021)
EACD NUMBER
दिनांक अथवा तिथि
DATE OF ENDORSEMENT 28/4/2021
कौन से अधिकारी द्वारा जारी किया गया
BY WHOM ISSUED 5/5/2021

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COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

(UNDER SECTIONS 230-232 READ WITH SECTION 52 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS AND RULES THEREUNDER)

AMONGST

PRISM JOHNSON LIMITED

(Formerly known as PRISM CEMENT LIMITED)

AND

H. & R. JOHNSON (INDIA) TBK LIMITED

AND

MILANO BATHROOM FITTINGS PRIVATE LIMITED

AND

SILICA CERAMICA PRIVATE LIMITED

AND

TBK RANGOLI TILE BATH KITCHEN PRIVATE LIMITED

AND

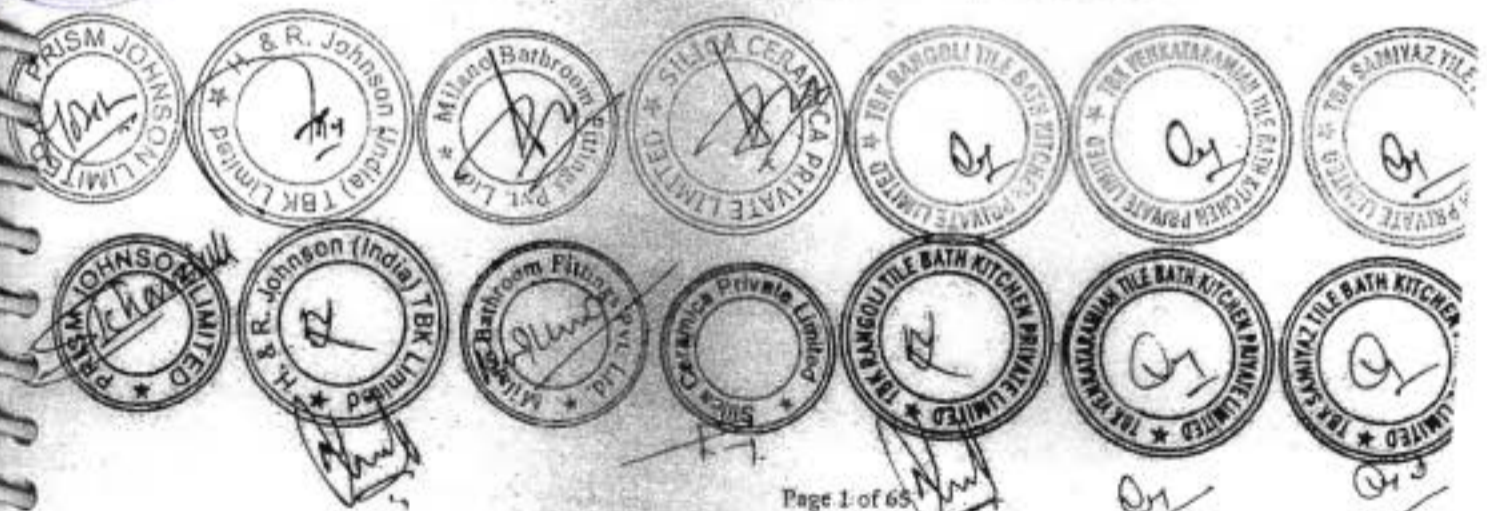
TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED

AND

TBK SAMIYAZ TILE BATH KITCHEN PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



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A. PREAMBLE

This composite scheme of arrangement and amalgamation is presented pursuant to the provisions of the 2013 Act (defined in Part I below) for the restructuring of the businesses of Prism Johnson Limited ("PJM") (Formerly Prism Cement Limited), H. & R. Johnson (India) TBK Limited ("HRJ TBK"), Milano Bathroom Fittings Private Limited ("Milano"), Silica Ceramica Private Limited ("Silica"), TBK Rangoli Tile Bath Kitchen Private Limited ("TBK Rangoli"), TBK Venkataramiah Tile Bath Kitchen Private Limited ("TBK Venkat"), TBK Samiyaz Tile Bath Kitchen Private Limited ("TBK Samiyaz"), on a going concern basis, including:

- (1) the demerger of Part III Demerged Undertakings (defined in Part I below) of TBK Rangoli, TBK Venkat & TBK Samiyaz [in terms of Part III of the Scheme] and vesting them into HRJ TBK;
- (2) the demerger of Part IV Demerged Undertaking (defined in Part I below) [in terms of Part IV of the Scheme] of HRJ TBK and vesting it into PJL;
- (3) the reduction of share capital of Silica [in terms of Part V of the Scheme];
- (4) the amalgamation of Milano and Silica [in terms of Part VI of the Scheme] with PJL.

The composite scheme of arrangement and amalgamation involves holding company and its wholly owned subsidiaries.

B. BACKGROUND OF THE COMPANIES

1. Prism Johnson Limited ("PJM")

- (a) PJL (CIN:L26942TG1992PLC014033) (PAN AAACP6224A) (formerly known as Prism Cement Limited) is a public company limited by shares incorporated on 26th March 1992 under the provisions of the 1956 Act (defined in Part I below). The registered office of PJL is situated at 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad- 16, Telangana- 500016.
- (b) PJL is one of India's leading integrated building materials' company, with a wide range of products from cement, ready-mixed concrete, tiles and bathroom products.
- (c) The equity shares of PJL are listed on BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE") in India and its non-convertible debentures are listed on BSE.

2. H. & R. Johnson (India) TBK Limited ("HRJ TBK")

- (a) HRJ TBK (CIN: U45200MH1996PLC101892) (PAN AAACV4081H), an unlisted public company limited by shares incorporated on 16th August, 1996 under the provisions of the 1956 Act, is engaged, inter alia, directly / indirectly through its



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subsidiaries and associates in retail/trading in tiles, bathroom fittings and kitchens & branded tiles display unit. It also provides support services. HRJ TBK is a wholly owned subsidiary of PJI.

- (b) The registered office of HRJ TBK is situated at Windsor, 7th Floor, CST Road Kalina, Santa Cruz (E) Mumbai, Maharashtra - 400098.

3. **Milano Bathroom Fittings Private Limited ("Milano")**

- (a) Milano (CIN: U28994HP2000PTC006251) (PAN AAFCS5482A), a private company limited by shares incorporated on 8th March, 2000 under the provisions of the 1956 Act, is engaged in the business of manufacturing of taps and fittings. Milano is a wholly owned subsidiary of PJI.

- (b) The registered office of Milano is situated at Plot No. 30 Industrial Township Phase 4, Himuda, Bhatoli Kalan Baddi Solan Himachal Pradesh - 173205.

4. **Silica Ceramica Private Limited ("Silica")**

- (a) Silica (CIN: U26933AP2006PTC051977) (PAN AAKCS8463N), a private company limited by shares incorporated on 12th December, 2006 under the provisions of the 1956 Act, is engaged in the business of manufacturing of ceramic vitrified tiles and glazed vitrified tiles. Silica is a wholly owned subsidiary of PJI.

- (b) The registered office of Silica is situated at Narayanapuram Unguturu Mandal Narayanapuram, Andhra Pradesh - 534407.

5. **TBK Rangoli Tile Bath Kitchen Private Limited ("TBK Rangoli")**

- (a) TBK Rangoli (CIN: U74120MH2010PTC209550) (PANAADCT6327R), a private company limited by shares incorporated on 28th October, 2010 under the provisions of the 1956 Act, is engaged in the business of retail/trading of tiles, bathroom fittings & kitchens. TBK Rangoli is a wholly owned subsidiary of HRJ TBK.

- (b) The registered office of TBK Rangoli is situated at Ground Floor, Kaddiya Wadi, Azad Road Near Fire Brigade Station, Vile Parle (East) Mumbai, Maharashtra - 400057.

6. **TBK Venkataramlah Tile Bath Kitchen Private Limited ("TBK Venkat")**

- (a) TBK Venkat (CIN: U26900KA2010PTC056306) (PANAADCT6930E), a private company limited by shares incorporated on 21st December, 2010 under the provisions of the 1956 Act, is engaged in the business of retail/trading of tiles, bathroom fittings & kitchens. TBK Venkat is a wholly owned subsidiary of HRJ TBK.

- (b) The registered office of TBK Venkat is situated at No.56 A, Ramamurthy Nagar Main Road, Dodda Banaswadi Opp, New Baldwin Residential School, Bangalore,



7. TBK Samiyaz Tile Bath Kitchen Private Limited ("TBK Samiyaz")

- (a) TBK Samiyaz (CIN: U26916MH2007PTC176528) (PAN AACCT8691B), a private company limited by shares incorporated on 6th December, 2007 under the provisions of the 1956 Act, is engaged in the business of retail/trading of tiles, bathroom fittings & kitchens. TBK Samiyaz is a wholly owned subsidiary of HRJ TBK.
- (b) The registered office of TBK Samiyaz is situated at G 5-10 Ground Floor, Plot no. 6, Savita Raj Complex, Kala Manak Flat Owners Society, CIDCO, New Aurangabad, Maharashtra-431003.

RATIONALE

1. This Scheme (defined in Part I below) is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the companies which are parties to this Scheme, their respective shareholders, lenders, employees and other stakeholders. The Scheme is proposed with a view to achieve the following benefits:

- (a) the proposed Scheme would result in elimination of multiple operating companies' structure of PJI and thereby would result in consolidation of retail/trading business of certain wholly owned subsidiaries and step-down subsidiaries of PJI into a single entity, i.e. PJI;
- (b) the proposed Scheme would result in simplification of operating structure under common management which would lead to elimination of duplicative communication and coordination efforts across multiple entities;
- (c) the consolidation of business would lead to better, efficient and economical cost management, cost savings, pooling of resources, optimum utilisation of resources, rationalisation of administrative expenses/services;
- (d) the consolidation of business would lead to synergies in operational process and logistics alignment, creating better synergy, better utilisation of human resources and further development and growth of business via a single entity, PJI;
- (e) the single entity i.e. PJI would have increased capability for offering products and services by virtue of its enhanced resource base and deeper client relationship, resulting better business potential and prospects for the entity.
- (f) the proposed Scheme would help PJI in sharpening its competitiveness and development of long term internal and core competencies through cost savings and benefit of economies of scale unlocked to PJI.
- (g) the proposed Scheme will augment the manufacturing footprint and capabilities



of PJJ, by increasing the scale of manufacturing operations and bettering capacity utilisation of PJJ, thereby helping in rationalising the number of vendors, aggregating the purchases and managing the supply chain more effectively and efficiently.

- (h) the proposed Scheme for consolidation of retail/trading business will also simplify the forward supply chain and management of customers and bring better sales and marketing synergies.
- (i) thus, this Scheme, as envisaged, is in the interest of the shareholders, creditors, employees, and other stakeholders of each of the companies by pursuing a focused business approach under a single entity, thereby resulting in overall maximization of value creation of all the stakeholders involved.

2. The respective Board of Directors (defined in Part I below) of PJJ, HRJ TBK, Milano, Silica, TBK Venkat, TBK Rangoli and TBK Samiyaz, at their respective meetings held on 23rd Oct, 2019, after detailed deliberation and consideration, have propounded this Scheme and have approved Demerger 1 (defined in Part I below), Demerger 2 (defined in Part I below), reduction of share capital (as per Part V below) and Amalgamation (defined in Part I below) as integral and composite parts of the Scheme in the sequence as provided hereinafter.

D. GENERAL

3. This Scheme is divided into the following parts:

- (a) Part I provides for the definitions and interpretations;
- (b) Part II provides for the capital structure of PJJ, HRJ TBK, Milano, Silica, TBK Rangoli, TBK Venkat & TBK Samiyaz;
- (c) Part III provides for the demerger and vesting of Part III Demerged Undertakings (as defined below in Part I below) of TBK Rangoli, TBK Venkat & TBK Samiyaz respectively into HRJ TBK.
- (d) Part IV provides for the demerger and vesting of Part IV Demerged Undertaking (as defined below in Part I below) (after giving effect to Part III of the Scheme) of HRJ TBK into PJJ.
- (e) Part V provides for reduction of share capital of Silica in accordance with Sec 52 and other applicable provisions of 2013 Act.
- (f) Part VI provides for the amalgamation of Milano & Silica (after giving effect to Part IV & Part V of the Scheme) with PJJ.
- (g) Part VII deals with other general terms and conditions as applicable to the Scheme.



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PART II: DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS AND INTERPRETATIONS

1.1. In this Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given against them:

"1956 Act" means the Companies Act, 1956 and the rules and regulations made thereunder as may be applicable;

"2013 Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Amalgamating Company 1" means Milano Bathroom Fittings Private Limited ("Milano"), a wholly owned subsidiary of PJJ. The registered office of Milano is situated at Plot No. 30 Industrial Township Phase 4, Himuda, Bhatoli-Kalan Baddi Solan Himachal Pradesh - 173205.

"Amalgamating Company 2" means Silica Ceramica Private Limited ("Silica"), a wholly owned subsidiary of PJJ. The registered office of Silica is situated at Narayanapuram Unguturu Mandal Narayanapuram, Andhra Pradesh - 534407.

"Amalgamating Companies" collectively means Amalgamating Company 1 and Amalgamating Company 2;

"Amalgamated Company" or "Resulting Company 2" means Prism Johnson Limited ("PJJ"), a listed public company, and having its registered office at 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad-16, Telangana - 500016.

For all practical purposes, (i) in relation to the Amalgamation of Milano & Silica with PJJ pursuant to Part VI of the Scheme, PJJ shall be referred as "Amalgamated Company" and (ii) in relation to Demerger 2 pursuant to Part IV of the Scheme, PJJ shall be referred as "Resulting Company 2".

"Amalgamation" means the amalgamation of the Amalgamating Company 1 & Amalgamating Company 2 with the Amalgamated Company on going concern basis, in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Part VI of the Scheme;

"Applicable Laws" shall mean 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;

"Appointed Date" means April 1, 2018 or such other date as the NCLT may decide/ approve, being the date with effect from which Parts III, IV, V & VI of the Scheme shall become operative and / or be deemed to have become operative, in the same sequential order as stated herein;



"Appropriate Authority" means any governmental body (central, state or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including the National Company Law Tribunals, the Stock Exchanges, the Securities and Exchange Board of India ("SEBI"), Income Tax authorities and other applicable authorities to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body, or other organization have the force of law as may be relevant in the context;

"Board of Directors" or "Board" in relation to P.J.L., HRJ TBK, Milano, Silica, TBK Rangoli, TBK Venkat & TBK Samiyaz as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

"CIN" means Corporate Identity Number issued by the Registrar of Companies;

"Demerged Company 1" means TBK Rangoli Tile Bath Kitchen Private Limited ("TBK Rangoli"), a private company limited by shares incorporated on 28th October, 2010 under the provisions of the 1956 Act and having its registered office at Ground Floor, Kaddiya Wadi, Azad Road Near Fire Brigade Station, Vile Parle (East) Mumbai, Maharashtra - 400057.

"Demerged Company 2" means TBK Venkataramiah Tile Bath Kitchen Private Limited ("TBK Venkat"), a private company limited by shares incorporated on 21st December, 2010 under the provisions of the 1956 Act and having its registered office at No.56 A, Ramamurthy Nagar Main Road, Dooda Banaswadi Opp, New Baldwin Residential School, Bangalore, Karnataka - 560043.

"Demerged Company 3" means TBK Samiyaz Tile Bath Kitchen Private Limited ("TBK Samiyaz"), a private company limited by shares incorporated on 6th December, 2007 under the provisions of the 1956 Act and having its registered office at G 5-10, Ground Floor, Plot no. 6, Savita Raj Complex, Kala Manak Flat Owners Society, CIDCO New Aurangabad MH 431003.

"Demerged Company 4" or "Part IV Demerged Company" or "Resulting Company 1" means H. & R. Johnson (India) TBK Limited ("HRJ TBK"), a public company limited by shares incorporated on 16th August, 1996 under the provisions of the 1956 Act and having its registered office at Windsor, 7th Floor, CST Road Kalina, Santa Cruz (E) Mumbai, Maharashtra - 400098.

For all practical purposes, (i) in relation to Demerger 2 pursuant to Part IV of the Scheme, HRJ TBK shall be referred as "Demerged Company 4" or "Part IV Demerged Company" and (ii) in relation to Demerger 1 pursuant to Part III; HRJ TBK shall be referred as "Resulting Company 1".

"Demerger 1" means transfer and vesting of the Part III Demerged Undertakings (defined hereinafter) of Part III Demerged Companies (defined hereinafter) to the Resulting



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Company 1 on going concern basis, in terms of Section 2(19AA) of the Income Tax Act, as provided in Part III of the Scheme;

"Demerger 2" means transfer and vesting of the Part IV Demerged Undertaking of Part IV Demerged Company to the Resulting Company 2 (defined hereinafter), on a going concern basis, in terms of Section 2(19AA) of the Income Tax Act, as provided in Part IV of the Scheme;

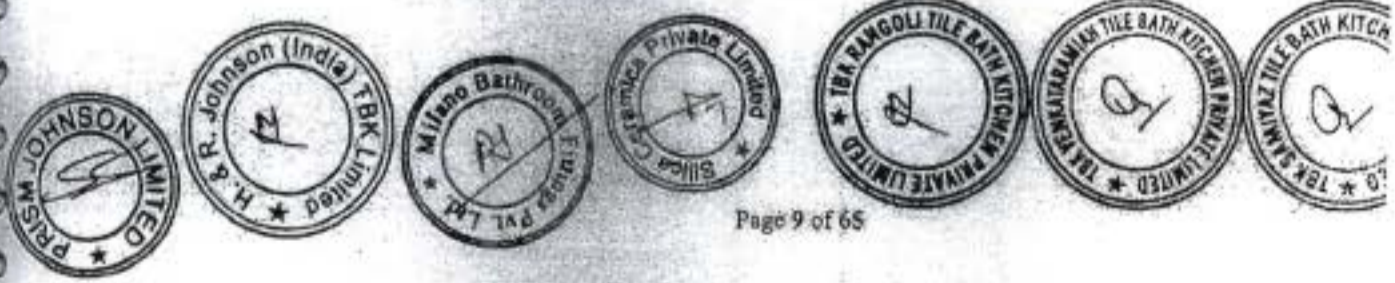
"Demerged Undertaking 1" means the business of retail/trading in tiles, bathroom fittings & kitchen of TBK Rangoli comprising, *inter-alia*, of all its properties, assets, liabilities, permits, licences, registrations, approvals, contracts and employees, on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act, including the following:

- (a) all the assets and movable properties, wherever situated, whether tangible or intangible, absolute, accrued, fixed or otherwise, including property, intangible assets, loans, securities, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with or relating to the demerging business and all other permissions, rights (including rights under any contracts, memoranda of understanding, etc.), goodwill and other intangible items (whether or not recorded in the books of Demerged Company 1), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the demerging business, and all deposits, advances and/or moneys paid/ received to/ by the demerging business, all statutory licenses and / or permissions to carry on the operations of the demerging business and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the demerging business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of TBK Rangoli in respect of its Business, minimum alternate tax credit, all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services,



provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the demerging business;

- (b) all rights and obligations relating to the demerging business including the receivables, the credits and the loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, under the customer contracts and the rights and interest of the demerging business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;
- (c) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relating to the demerging business;
- (d) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under Section 115JB of the Income tax Act, in connection with or relating to the demerging business, Investments pertaining to the demerging business, securitised assets, earnest moneys and / or security deposits paid or received to/by TBK Rangoli, directly or indirectly in connection with or relating to the demerging business and where the amount of any entitlement, credit set off or carry forward balance relating directly or indirectly to the demerging business cannot be separately identified, the same shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of the demerging business to the total assets of TBK Rangoli as on the Appointed Date;



- (e) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 1 or proceedings or investigations to which Demerged Company 1 is party to, that pertain to Demerged Undertaking 1, whether pending/ongoing as on the Effective Date or which may be instituted any time in the future;
- (f) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the demerging business;
- (g) all the existing insurance policies including benefits thereof pertaining to the demerging business;
- (h) all permanent and / or temporary employees, workmen, staff, contract staff of demerging business engaged in directly or exclusively for the demerging business and those permanent and / or temporary employees that are determined by the board of directors, to be engaged in or relating to the demerging business;
- (i) all liabilities (including liabilities, allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the demerged business, provided however that amounts of general or multipurpose borrowings, if any, of the Demerged Company 1 will be apportioned basis the proportion of the value of the assets transferred in demerger of Demerged Undertaking 1 to the total value of the assets of the Demerged Company 1 as on the Appointed Date;

"Demerged Undertaking 2" means the business of retail/trading in files, bathroom fittings & kitchen of TBK Venkat comprising, *inter -alia*, of all its properties, assets, liabilities, permits, licences, registrations, approvals, contracts and employees on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act, including the following:

- (a) all the assets and movable properties, wherever situated, whether tangible or intangible, absolute, accrued, fixed or otherwise, including property, intangible assets, loans, securities, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with or relating to the demerging business and all other



permissions, rights (including rights under any contracts, memoranda of understanding, etc.), goodwill and other intangible items (whether or not recorded in the books of Demerged Company 2), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the demerging business, and all deposits, advances and/or moneys paid/ received to/ by the demerging business, all statutory licenses and / or permissions to carry on the operations of the demerging business and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the demerging business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of TBK Venkat in respect of its business, minimum alternate tax credit, all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the demerging business;

- (b) all rights and obligations relating to the demerging business including the receivables, the credits and the loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, under the customer contracts and the rights and interest of the demerging business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;
- (c) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing



agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relating to the demerging business;

- (d) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under Section 115JB of the Income tax Act, in connection with or relating to the demerging business. Investments pertaining to the demerging business, securitised assets, earnest moneys and / or security deposits paid or received to/by TBK Venkat, directly or indirectly in connection with or relating to the demerging business and where the amount of any entitlement, credit set off or carry forward balance relating directly or indirectly to the demerging business cannot be separately identified, the same shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of the demerging business to the total assets of TBK Venkat as on the Appointed Date;
- (e) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 2 or proceedings or investigations to which Demerged Company 2 is party to, that pertain to Demerged Undertaking 2, whether pending/ongoing as on the Effective Date or which may be instituted any time in the future;
- (f) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the demerging business;
- (g) all under the existing insurance policies including benefits thereof pertaining to the demerging business;
- (h) all permanent and / or temporary employees, workmen, staff, contract staff of demerging business engaged in directly or exclusively for the demerging business and those permanent and / or temporary employees that are determined by the board of directors, to be engaged in or relating to the demerging business;
- (i) all liabilities (including liabilities, allocable as per this Scheme, if any) present and



future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the demerged business, provided however that amounts of general or multipurpose borrowings, if any, of the Demerged Company 2 will be apportioned basis the proportion of the value of the assets transferred in demerger of Demerged Undertaking 2 to the total value of the assets of the Demerged Company 2 as on the Appointed Date;

"Demerged Undertaking 3" means the business of retail/trading in tiles, bathroom fittings & kitchen of TBK Samiyaz comprising, *inter-alia*, of all its properties, assets, liabilities, permits, licences, registrations, approvals, contracts and employees on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act, including the following:

- (a) all the assets and movable properties, wherever situated, whether tangible or intangible, absolute, accrued, fixed or otherwise, including property, intangible assets, loans, securities, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with or relating to the demerging business and all other permissions, rights (including rights under any contracts, memoranda of understanding, etc.), goodwill and other intangible items (whether or not recorded in the books of Demerged Company 3), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the demerging business, and all deposits, advances and/or moneys paid/ received to/ by the demerging business, all statutory licenses and / or permissions to carry on the operations of the demerging business and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the demerging business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of TBK Samiyaz in respect of its Business, minimum alternate tax credit, all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection



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with or relating to the demerging business;

(b) all rights and obligations relating to the demerging business including the receivables, the credits and the loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, under the customer contracts and the rights and interest of the demerging business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;

(c) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relatable to the demerging business;



(d) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under Section 115JB of the Income tax Act, in connection with or relatable to the demerging business. Investments pertaining to the demerging business, securitised assets, earnest moneys and / or security deposits paid or received to/by TBK Samiyaz, directly or indirectly in connection with or relating to the demerging business and where the amount of any entitlement, credit set off or carry forward balance relating directly or indirectly to the demerging business cannot be separately identified, the same shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of the demerging business to the total assets of TBK Samiyaz as on the Appointed Date;

(e) all legal (whether civil or criminal), taxation or other proceedings or investigations



of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 3 or proceedings or investigations to which Demerged Company 3 is party to, that pertain to Demerged Undertaking 3, whether pending/ongoing as on the Effective Date or which may be instituted any time in the future;

- (f) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the demerging business;
- (g) all benefits under the existing insurance policies including benefits thereof pertaining to the demerging business;
- (h) all permanent and / or temporary employees, workmen, staff, contract staff of demerging business engaged in directly or exclusively for the demerging business and those permanent and / or temporary employees that are determined by the board of directors, to be engaged in or relating to the demerging business;
- (i) all liabilities (including liabilities allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the demerged business, provided however that amounts of general or multipurpose borrowings, if any, of the Demerged Company 3 will be apportioned basis the proportion of the value of the assets transferred in demerger of Demerged Undertaking 3 to the total value of the assets of the Demerged Company 3 as on the Appointed Date;

"Demerged Undertaking 4" or "Part IV Demerged Undertaking" means the business of retail/trading in tiles, bathroom fittings & kitchens business of HRJ TBK (including Part III Demerged Undertakings vested upon Demerger 1) undertaken directly and through its joint ventures pursuant to its holdings in such joint venture companies comprising, *inter - alla*, of its the properties, assets, investments, liabilities, permits, licences, registrations, approvals, contracts and employees on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act, including the following:

- (a) All the assets and movable properties, wherever situated, whether tangible or intangible, absolute, accrued, fixed or otherwise, including property, intangible assets, loans, securities, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory



permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with or relating to the demerging business and all other permissions, rights (including rights under any contracts, memoranda of understanding, etc.), goodwill and other intangible items (whether or not recorded in the books of Demerged Company 4), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the demerging business, and all deposits, advances and/or moneys paid/ received to/ by the demerging business, all statutory licenses and / or permissions to carry on the operations of the demerging business and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the demerging business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of HRJ TBK in respect of its demerging business, minimum alternate tax credit, all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the demerging business;

(b) all rights and obligations relating to the demerging business including the receivables, the credits and the loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, under the customer contracts and the rights and interest of the demerging business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;

all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing



agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relating to demerging business;

- (d) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under Section 115JB of the Income tax Act, in connection with or relating to the demerging business. Investments pertaining to the demerging business, securitised assets, earnest moneys and / or security deposits paid or received to/by HRJ TBK, directly or indirectly in connection with or relating to the demerging business and where the amount of any entitlement, credit set off or carry forward balance relating directly or indirectly to the demerging business cannot be separately identified, the same shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of the demerging business to the total assets of HRJ TBK as on the Appointed Date;
- (e) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 4 or proceedings or investigations to which Demerged Company 4 is party to, that pertain to Demerged Undertaking 4, whether pending/ongoing as on the Effective Date or which may be instituted any time in the future;

all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the demerging business;

- (g) all under the existing insurance policies including benefits thereof pertaining to the demerging business;
- (h) all permanent and / or temporary employees, workmen, staff, contract staff of demerging business engaged in directly or exclusively for the demerging business and those permanent and / or temporary employees that are determined by the board of directors, to be engaged in or relating to the demerging business;



- (i) all liabilities (including liabilities, allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relating to the demerged business, provided however that amounts of general or multipurpose borrowings, if any, of the Demerged Company 4 will be apportioned basis the proportion of the value of the assets transferred in demerger of Demerged Undertaking 4 to the total value of the assets of the Demerged Company 4 as on the Appointed Date;

Notwithstanding the generality of the above, the assets & liabilities forming part of Part IV Demerged Undertakings is set out in Schedule 1 hereto.

"Effective Date" shall mean the date on which the last of all the conditions and matters referred to in Clause 44 have been fulfilled, obtained or waived. References in this Scheme to date of 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date;

"Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly;

"Income Tax Act" means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force and rules and regulations, circulars, and notifications issued thereunder, each as amended from time to time and to extent in force;

"IND AS" means the Indian Accounting Standards prescribed under Section 133 of the Act as notified under the Companies (Indian Accounting Standard) Rules, 2015;

"Legal Proceedings" means proceedings of whatsoever nature, civil or criminal, including any notices, disputes, suits, actions, appeals, arbitrations, execution proceedings, revisions, writ petitions, suits and taxation proceedings, pending before any statutory or quasi-judicial authority or tribunal or any proceedings of whatsoever nature;

"Liabilities" means all present and future liabilities including contingent liabilities, secured and unsecured debts (whether in Indian rupees or foreign currency), duties and obligations or obligations of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any Encumbrance, including any bank guarantees thereon;

"NCLT" means the bench of the National Company Law Tribunal at Hyderabad, Mumbai, Chandigarh, Amravati and Bengaluru, as applicable, including Principal Bench of National Company Law Tribunal at New Delhi and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the 2013 Act;

"NCLT Sanction Order / Order" means the order of the NCLT sanctioning this Scheme under Sections 230 to 232 read with Section 52 of the 2013 Act and other applicable provisions of the 2013 Act, including any alteration, modification, amendment made



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thereto and supplementary orders/directions in relation thereto;

"Part III Demerged Companies" collectively means Demerged Company 1, Demerged Company 2 and Demerged Company 3;

"Part III Demerged Undertakings" collectively means Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3 and notwithstanding the generality of the definitions of these terms, the assets & liabilities forming part of Part III Demerged Undertakings is set out in Schedule 2 hereto.

"PAN" means Permanent Account Number issued by the Income Tax department.

"Registrar of Companies" means the Registrar of Companies, at Hyderabad, Mumbai, Himachal Pradesh and Bangalore, as may be applicable;

"Scheme" or "the Scheme" or "this Scheme" or "draft Scheme" means this Composite Scheme of Arrangement and Amalgamation pursuant to Sec 230 to 232 read with Sec 52 of 2013 Act and other applicable provisions thereunder, in its present form submitted to NCLT or any other Appropriate Authority with any modification(s) thereto as the Board or NCLT or any other Appropriate Authority may require, direct or approve;

"Stock Exchanges" means Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE") where the equity shares and non-convertible debentures of PJI are listed;

1.2. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 2013 Act, as applicable, the Income Tax Act and other Applicable Laws, rules, directions, guidelines, regulations, bye-laws, as the case may be or any statutory modification or re-enactment(s) thereof for the time being in force.

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

- (a) words denoting singular shall include plural and vice-versa;
- (b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (c) references to the word "include" or "including" shall be construed without limitation;
- (d) a reference to an article, clause, section or paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;
- (e) unless otherwise defined, the reference to the word "days" shall mean calendar days;
- (f) references to dates and times shall be construed to be references to Indian dates and times;



- (g) reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (h) references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality);
- (i) references to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally;
- (j) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- (k) any reference to any statute or statutory provision shall include:
 - i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.



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PART III - SHARE CAPITAL

2. SHARE CAPITAL

2.1. Prism Johnson Limited

The capital structure of PJI as on October 23, 2019 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
52,50,00,000 Equity shares of Rs. 10 each	52,500.00
Total	52,500.00
B. Issued, subscribed and paid-up Share Capital	Amount (INR in Lakhs)
Issued and subscribed	
50,33,56,580 Equity shares of Rs. 10 each	50,335.66
Total	50,335.66

The equity shares of PJI are listed on the Stock Exchanges. As on October 23, 2019, the promoters of PJI hold 74.87% of equity shareholding in PJI and the balance equity shareholding is held by the public shareholders.

2.2. H. & R. Johnson (India) TBK Limited

The capital structure of HRJ TBK as on October 23, 2019 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
5,00,000 Equity shares of Rs. 100 each	500.00
Total	500.00
B. Issued, subscribed and paid-up Share Capital	Amount (INR in Lakhs)
1,61,020 Equity shares of Rs. 100 each	161.02
Total	161.02

HRJ TBK is a wholly owned subsidiary of PJI.

2.3. Milano Bathroom Fittings Private Limited

The capital structure of Milano as on October 23, 2019 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
73,000 equity shares of Rs 100/- each	73.00
3,87,500 Preference shares of Rs. 100/- each	387.50
Total	460.50



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B. Issued, subscribed and paid-up Share Capital	Amount (INR in Lakhs)
72,446 Equity shares of Rs. 100 each	72.45
2,00,000 Preference Shares of Rs. 100 each	200.00
Total	272.45

Milano is a wholly owned subsidiary of PJI.

2.4. Silica Ceramica Private Limited

The capital structure of Silica as on October 23, 2019 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
12,16,10,000 equity shares of Rs. 10/- each	12,161.00
Total	12,161.00
B. Issued, subscribed and paid-up Share Capital	Amount (INR in Lakhs)
12,16,08,283 Equity shares of Rs. 10 each	12,160.83
Total	12,160.83

Silica is a wholly owned subsidiary of PJI.

2.5. TBK Rangoli Tile Bath Kitchen Private Limited

The capital structure of TBK Rangoli as on October 23, 2019 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
10,000 equity shares of Rs. 10/- each	1.00
Total	1.00
B. Issued, subscribed and paid-up Share Capital	Amount (INR in Lakhs)
10,000 Equity shares of Rs. 10 each	1.00
Total	1.00

TBK Rangoli is a wholly owned subsidiary of HRJ TBK.

2.6. TBK Venkataramiah Tile Bath Kitchen Private Limited

The capital structure of TBK Venkat as on October 23, 2019 is as under:



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A: Authorised Share Capital	Amount (INR in Lakhs)
10,000 equity shares of Rs. 10/- each	1.00
Total	1.00
B: Issued, subscribed and paid-up Share Capital	Amount (INR in Lakhs)
10,000 Equity shares of Rs. 10 each	1.00
Total	1.00

TBK Venkat is a wholly owned subsidiary of HRJ TBK.

2.7. TBK Samiyaz Tile Bath Kitchen Private Limited

The capital structure of TBK Samiyaz as on October 23, 2019 is as under:

C: Authorised Share Capital	Amount (INR in Lakhs)
83,000 equity shares of Rs.10/- each	8.30
Total	8.30
D: Issued, subscribed and paid-up Share Capital	Amount (INR in Lakhs)
83,000 Equity shares of Rs. 10 each	8.30
Total	8.30

TBK Samiyaz is a wholly owned subsidiary of HRJ TBK.



PART III - DEMERGER OF PART III DEMERGED UNDERTAKINGS OF PART III DEMERGED COMPANIES INTO RESULTING COMPANY 1

3. TRANSFER AND VESTING OF PART III DEMERGED UNDERTAKINGS OF PART III DEMERGED COMPANIES RESPECTIVELY INTO RESULTING COMPANY 1

3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Part III Demerged Undertakings together with all their business and operations including all their assets and liabilities shall, pursuant to the provisions of Sections 230 to 232, and other relevant provisions of the 2013 Act, and in accordance with Section 2(19AA) of the Income Tax Act, without any further act, instrument or deed, be deemed to be demerged from Part III Demerged Companies and transferred to and vest in, or be deemed to be transferred to and vested in the Resulting Company 1, as a going concern on "as-is-where-basis", so as to become as and from the Appointed Date, the undertaking of the Resulting Company 1 by virtue of and in the manner provided in Part III of this Scheme.

3.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of Applicable Laws and the 2013 Act, all the consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), properties, claims, title, interest and authorities including accretions and appurtenances, powers of attorneys given by, issued to or executed in favour of Part III Demerged Companies, and the rights and benefits under the same shall, insofar as they relate to the Part III Demerged Undertakings and all quality certifications and approvals, trademarks, brand names, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods, services or any other assets being directly and exclusively dealt with by the Part III Demerged Undertakings shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, shall stand transferred to and vested in the Resulting Company 1. In respect of all the movable assets of Part III Demerged Companies in so far as they pertain to the Part III Demerged Undertakings and the other assets pertaining to Part III Demerged Undertakings which are otherwise capable of transfer to the Resulting Company 1 shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery or by constructive delivery, as the case may be, to the Resulting Company 1 to the end and intent that the property and benefit therein passes to the Resulting Company 1 with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of Part III Demerged Companies and the Resulting Company 1 by way of delivery of possession of the respective documents, as a part of the transfer of the Part III Demerged Undertakings as a going concern. In respect of any intangible and moveable assets of Part III Demerged Companies pertaining to the Part III Demerged Undertakings, other than those mentioned hereinabove, and actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with any Appropriate Authority and customers, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company 1. The Resulting Company 1 may, issue notices in such form as the Resulting



Company 1 may deem fit and proper stating that pursuant to the Scheme becoming effective, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company 1, as the person entitled thereto, to the end and intent that the right of Part III Demerged Companies to recover or realize the same stands transferred to the Resulting Company 1 and that appropriate entries shall be passed in their respective books to record the aforesaid changes.

3.3. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the various incentives, goods and services tax benefits, all tax holiday, deductions under the Income Tax Act, subsidies (including applications for subsidies), grants, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority or by any other person, or availed of by Part III Demerged Companies are concerned, the same shall, without any further act or deed, in so far as they relate to the Part III Demerged Undertakings, vest with and be available to the Resulting Company 1 on the same terms and conditions. All intangible assets including various business or commercial rights, etc., if any, belonging to but not recorded in books of Part III Demerged Companies pertaining to Part III Demerged Undertakings, shall be transferred to and vested with Resulting Company 1.

3.4. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts and Liabilities of the Part III Demerged Companies pertaining to the Part III Demerged Undertakings shall, pursuant to the applicable provisions of 2013 Act and the provisions of this Scheme and, without any further act or deed, become the debts and Liabilities of the Resulting Company 1, and Resulting Company 1 shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and Liabilities have arisen in order to give effect to the provisions of this clause. The amounts of general or multipurpose borrowings, if any, of the Part III Demerged Companies will be apportioned on the basis of the proportion of the value of the assets transferred in Demerger 1 of Part III Demerged Undertakings to the total value of the assets of the Part III Demerged Companies immediately before the Demerger 1.

3.5. Where any of the Liabilities of the Part III Demerged Undertakings, as on the Appointed Date deemed to be transferred to the Resulting Company 1 have been discharged by Part III Demerged Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company 1.

3.6. All inter-se liabilities, between Part III Demerged Companies pertaining to Part III Demerged Undertakings respectively and Resulting Company 1, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Resulting Company 1.

3.7. It is expressly clarified that in case any question that may arise as to whether any particular asset or liability pertains or does not pertain to the Part III Demerged Undertakings of the



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Part III Demerged Companies, or whether it arises out of the activities or operations of the Part III Demerged Undertakings, the same shall be decided by mutual agreement between Board of Directors of the Part III Demerged Companies and that of Resulting Company 1.

3.8. The Demerger 1 and the transfer and vesting of the assets shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided:

- (a) The Encumbrances or those, if any, in terms of this Scheme, over the assets comprised in Part III Demerged Undertakings, or any part thereof transferred to the Resulting Company 1, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached to, prior to the Effective Date and such Encumbrances shall not relate to or attach to any of the other assets of Resulting Company 1.
- (b) In so far as any Encumbrances over the assets comprised in the Part III Demerged Undertakings are security for liabilities of the Remaining Business of Part III Demerged Companies, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets of the Part III Demerged Undertakings, shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with Part III Demerged Companies and shall cease to operate against any of the assets transferred to the Resulting Company 1. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (c) Any reference in any security documents or arrangements (to which the Part III Demerged Companies is a party) to the Part III Demerged Companies and its assets and properties, shall be construed as a reference to the Resulting Company 1 and the assets and properties of the Part III Demerged Companies transferred to the Resulting Company 1 pursuant to Part III of this Scheme.
- (d) In so far as any Encumbrances over the assets comprised in the Remaining Business of Part III Demerged Companies are security for the related Liabilities of Part III Demerged Undertakings, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (e) Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming effective, Part III Demerged Companies and the Resulting Company 1 shall execute appropriate deeds of confirmations, all instruments or documents or do all the acts and deeds as may be required, with any party to any contract or arrangement in relation to Part III Demerged Undertakings, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required. The Resulting Company 1 shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Part III Demerged Companies in relation to the Part III Demerged Undertakings and to carry out or perform all such



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formalities or compliances referred to above on the part of the Part III Demerged Companies *inter alia* in its capacity as the successor-in-interest of the Part III Demerged Companies in relation to the Part III Demerged Undertakings.

(f) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of Clause 3 shall operate, 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 stand modified and/or superseded by the foregoing provisions.

3.9. It is hereby clarified that the rest of the assets and Liabilities (other than those forming part of the Part III Demerged Undertakings or otherwise specified in this Scheme) of Part III Demerged Companies shall continue in Part III Demerged Companies respectively.

3.10. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Part III Demerged Companies pertaining to the Part III Demerged Undertakings after the Effective Date shall be accepted by the bankers of the Resulting Company 1 and credited to the account of the Resulting Company 1, if presented by the Resulting Company 1. Similarly, the banker of the Resulting Company 1 shall honour all cheques issued by Part III Demerged Companies pertaining to the Part III Demerged Undertakings respectively for payment after the Effective Date. If required, Part III Demerged Companies shall allow maintaining of bank accounts in its name by the Resulting Company 1 for such time as may be determined to be necessary by Part III Demerged Companies and the Resulting Company 1 for presentation and deposition of cheques and pay orders that have been issued in the name of Part III Demerged Companies in connection with the business of Part III Demerged Undertakings.

3.11. It is clarified that if any assets (claims, rights, title, interest in, or authorities relating to such assets) or liabilities or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to Part III Demerged Undertakings which Part III Demerged Companies owns or to which Part III Demerged Companies are parties and which cannot be transferred to the Resulting Company 1 for any reason whatsoever, Part III Demerged Companies shall hold such assets or contract, deeds, bonds, liabilities, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the Resulting Company 1 to which the Part III Demerged Undertakings is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

3.12. All necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the Part III Demerged Undertakings shall be transferred to the Resulting Company 1.

3.13. All statutory rights and obligations pertaining to Part III Demerged Undertakings would vest in/accrete to Resulting Company 1. Hence, obligation pertaining to Part III Demerged



Undertakings, prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under the Goods and Service Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Part III Demerged Companies and if any form relating to the period prior to the said Effective Date is received in the name of Part III Demerged Companies, it would be deemed to have been received by Resulting Company 1 in fulfilment of their obligations.

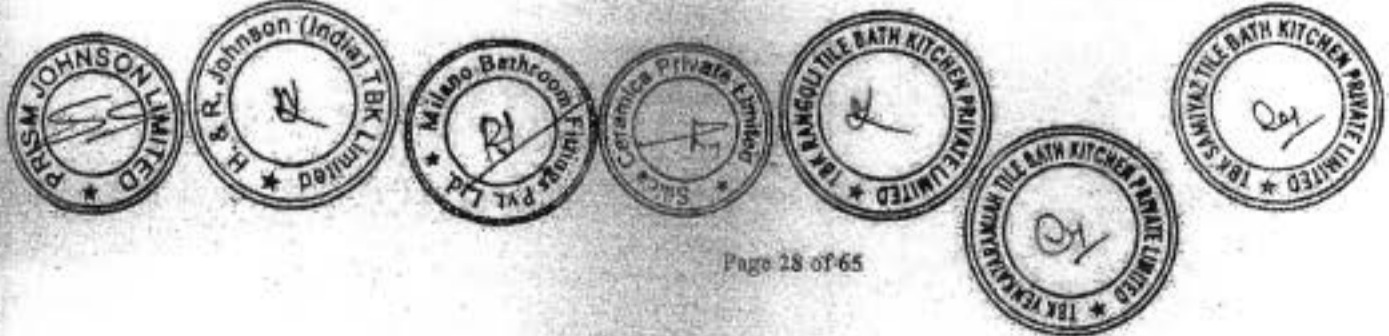
4. LEGAL PROCEEDINGS

4.1. All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Part III Demerged Companies shall not abate, be discontinued or be in any way prejudicially affected by reason of the demerger or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Part III Demerged Companies, as if this Scheme had not been made.

4.2. With effect from the Effective Date, all Legal Proceedings by or against Part III Demerged Companies relating to the Part III Demerged Undertakings respectively under any statute, whether pending on the Appointed Date or which may be instituted anytime thereafter, shall be continued and enforced by or against the Resulting Company 1 after the Effective Date, to the extent legally permissible. To the extent the Legal Proceedings cannot be taken over by the Resulting Company 1, the Legal Proceedings shall be pursued by or against the Part III Demerged Companies as per the instructions of and entirely at the costs and expenses of the Resulting Company 1. In the event that such liability is incurred or such claim or demand is made upon Part III Demerged Companies (or any successor thereof) pertaining to the Part III Demerged Undertakings then the Resulting Company 1 shall reimburse and indemnify Part III Demerged Companies (or any successor thereof) for any payments made in relation to the same.

4.3. Upon the coming into effect of this Scheme, any Legal Proceedings by or against Part III Demerged Companies under any statute, whether or not pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of Part III Demerged Companies (including those relating to any property, right, power or Liabilities of Part III Demerged Companies in respect of the Remaining Business of Part III Demerged Companies) shall be continued and enforced by or against Part III Demerged Companies. The Resulting Company 1 shall in no event be responsible or liable for or in relation to any such Legal Proceeding by or against Part III Demerged Companies.

4.4. The Resulting Company 1 undertakes to have accepted on behalf of itself, all suits, claims, actions and Legal Proceedings initiated pertaining to the Part III Demerged Undertakings, transferred to its name and to have the same continued, prosecuted and enforced by or against the Resulting Company 1.



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5. **CONTRACTS, LICENSES, APPROVALS AND PERMITS**

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all leases, licenses, guarantees, approvals, permissions, registrations, consents or permits, whether governmental or otherwise, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Part III Demerged Undertakings to which Part III Demerged Companies respectively is a party or to the benefit of which Part III Demerged Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of, as the case may be, vest in the Resulting Company 1, and may be enforced as fully and effectually as if, instead of Part III Demerged Companies, the Resulting Company 1 had been a party or beneficiary or obliged thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company 1 pursuant to the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company 1 shall file appropriate applications / documents / intimations with relevant authorities concerned for the information and record purposes.

5.2. Any inter-se contracts between the Resulting Company 1 and the Part III Demerged Companies pertaining to Part III Demerged Undertakings respectively shall stand cancelled and cease to operate upon the Scheme becoming effective.

5.3. All guarantees provided by any bank in relation to the Part III Demerged Undertakings of the Part III Demerged Companies respectively outstanding as on the Effective Date, shall vest in the Resulting Company 1 and shall ensure to the benefit of the Resulting Company 1 and all guarantees issued by the bankers of the Part III Demerged Companies in relation to the Part III Demerged Undertakings at their request favouring any third party shall be deemed to have been issued at the request of the Resulting Company 1 and continue in favour of such third party till its maturity or earlier termination.

5.4. It is hereby clarified that if any licenses, approvals, permits, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Part III Demerged Undertakings to which Part III Demerged Companies is a party to, cannot be transferred to the Resulting Company 1 for any reason whatsoever, Part III Demerged Companies shall hold such licenses, approvals, permits, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company 1, in so far as it is permissible so to do till such time as the transfer is affected.

5.5. Benefits of any and all corporate approvals as may have already been taken by the Part III Demerged Companies in connection with the Part III Demerged Undertakings shall stand transferred to the Resulting Company 1 and the said corporate approvals and compliances shall be deemed to have been taken / complied with by the Resulting Company 1.

5.6. The Resulting Company 1 shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents,



exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences and certificates which were held or enjoyed by the Part III Demerged Companies in connection with the Part III Demerged Undertakings. For the avoidance of doubts, it is clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company 1 pursuant to the Scheme becoming effective. The Resulting Company 1 shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Resulting Company 1 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Part III Demerged Companies in so far as the same are in connection with the Part III Demerged Undertakings and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

5.7. In relation to the above, any procedural requirements required to be fulfilled solely by Part III Demerged Companies (and not by its successors) in so far as the same are in connection with the Part III Demerged Undertakings, shall be fulfilled by Resulting Company 1 as if it is the duly constituted attorney of Part III Demerged Companies.

6. TREATMENT OF TAXES

6.1. All taxes (including income tax, advance tax, minimum alternate tax and credits, securities transaction tax, self assessment tax, sales tax, service tax, goods and services tax, etc.) including interest, penalty, surcharge and cess, if any paid or payable by or refundable to Part III Demerged Companies, in respect of the operations and / or the profits of the Part III Demerged Undertakings respectively before the Appointed Date, shall be on account of Part III Demerged Companies, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and services tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by Part III Demerged Companies in respect of the profits or activities or operations of the Part III Demerged Undertakings after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company 1, and shall, in all proceedings, be dealt with accordingly. It is hereby clarified that MAT Credit entitlement of Part III Demerged Companies pertaining to Part III Demerged Undertakings under section 115JB read with section 115JAA of IT Act as on Appointed Date shall also get transferred to Resulting Company 1 upon Demerger 1.

6.2. Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Part III Demerged Undertakings is received in the name of Part III Demerged Companies respectively, or tax credit relating to the Part III Demerged Undertakings is appearing in Form 26AS of the Part III Demerged Companies, it shall be deemed to have been received by and in the name of the Resulting Company 1 which alone shall be entitled to claim credit for such tax deducted or paid.

6.3. Upon the coming into effect of this Scheme, Part III Demerged Companies and the Resulting Company 1 are expressly permitted to file / revise / reopen their respective tax returns / computation of total income after giving effect of Demerger 1 electronically and if the electronic filing is not enabled in the official website of the income tax department, it



can be filed manually before the income tax authorities holding jurisdiction over the Part III Demerged Companies and the Resulting Company 1 even if the time limit prescribed for filing revised return of income/ computation of total income, as applicable, has lapsed and/or assessment proceedings has been completed and no further approval for filing revised return / revised computation of total income after giving effect of the Demerger 1 shall be required from CBDT or any other Appropriate Authority and also revise related withholding tax certificates, including withholding tax certificates relating to transactions between Part III Demerged Companies and Resulting Company 1, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or tax related deductions, or any other tax related compliances or filings of forms.

- 6.4. The goods and services tax paid by Part III Demerged Companies in respect of goods & services provided by the Part III Demerged Undertakings for the period commencing from the Appointed Date shall be deemed to be the goods and services tax paid by the Resulting Company 1, and credit for such goods and services tax shall be allowed to the Resulting Company 1 notwithstanding that challans for goods and services tax payments are in the name of Part III Demerged Companies and not in the name of the Resulting Company 1.
- 6.5. Upon the coming into effect of this Scheme and as per the provisions of section 72A and other applicable provisions of the IT Act, all accumulated losses and unabsorbed depreciation, if any, of the Part III Demerged Companies pertaining to the Part III Demerged Undertakings shall be transferred to the Resulting Company 1. It is expressly clarified that all the accumulated losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Resulting Company 1.

7. EMPLOYEES

7.1. All the employees of Part III Demerged Companies who are exclusively part of the Part III Demerged Undertakings and those employees as the board of directors may determine shall stand transferred to the Resulting Company 1 on Effective Date on terms and conditions, which as a result, shall not be less favourable than the terms and conditions of employment offered by Part III Demerged Companies (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and / or any other retirement benefits) without any interruption in service as a result of transfer of the Part III Demerged Undertakings to the Resulting Company 1 and without any further act, deed or instrument on the part of Part III Demerged Companies or the Resulting Company 1,

7.2. Upon the Scheme becoming effective, Part III Demerged Companies will transfer/handover to Resulting Company 1, copies of employment information of all such transferred employees of Part III Demerged Companies, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.



7.3. The Resulting Company I agrees that the services of all such employees (as mentioned in Clause 7.1 above) with Part III Demerged Companies prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity fund plans, provident fund plans, superannuation fund plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in Part III Demerged Companies who were part of the Part III Demerged Undertakings respectively.

7.4. The existing provident fund, superannuation and gratuity fund, incentives, if any, of which the aforesaid employees of Part III Demerged Companies (who are part of the Part III Demerged Undertakings respectively) are members or beneficiaries, along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break, to be administered by the Resulting Company I or as may be created by the Resulting Company I for the benefit of such employees on the same terms and conditions. All benefits and schemes being provided to the transferred employees will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of Part III Demerged Companies, would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Resulting Company I. In case necessary approvals are not received or the respective funds are not created by the Effective Date and there is delay, all such amounts shall continue to be administered by Part III Demerged Companies as a trustee from the Effective Date till the date of actual transfer and on receiving the approvals, all the accumulated amounts till such date, shall be transferred to the respective funds of the Resulting Company I in accordance with the approvals that have been obtained.

8. SAVING OF CONCLUDED TRANSACTIONS

8.1. The demerger and vesting of the assets and Liabilities in relation to the Part III Demerged Undertakings as per Part III of this Scheme, and the continuance of the Legal Proceedings by or against the Resulting Company I shall not affect any transaction or proceedings already completed by the Part III Demerged Undertakings on or after the Appointed Date but before the Effective Date, to the end and intent that the Resulting Company I accepts all acts, deeds and things done and executed by and / or on behalf as acts, deeds and things done and executed by and on behalf of the Resulting Company I.

9. CONDUCT OF BUSINESS OF THE PART III DEMERGED UNDERTAKINGS OF PART III DEMERGED COMPANIES UNTIL THE EFFECTIVE DATE

9.1. With effect from the Appointed Date and up to and including the Effective Date, Part III Demerged Companies shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Part III Demerged Undertakings for and on account of and in trust for the Resulting Company I.

9.2. All profits or income accruing or arising to Part III Demerged Companies or losses including tax losses, or expenditure arising or incurred by Part III Demerged Companies in

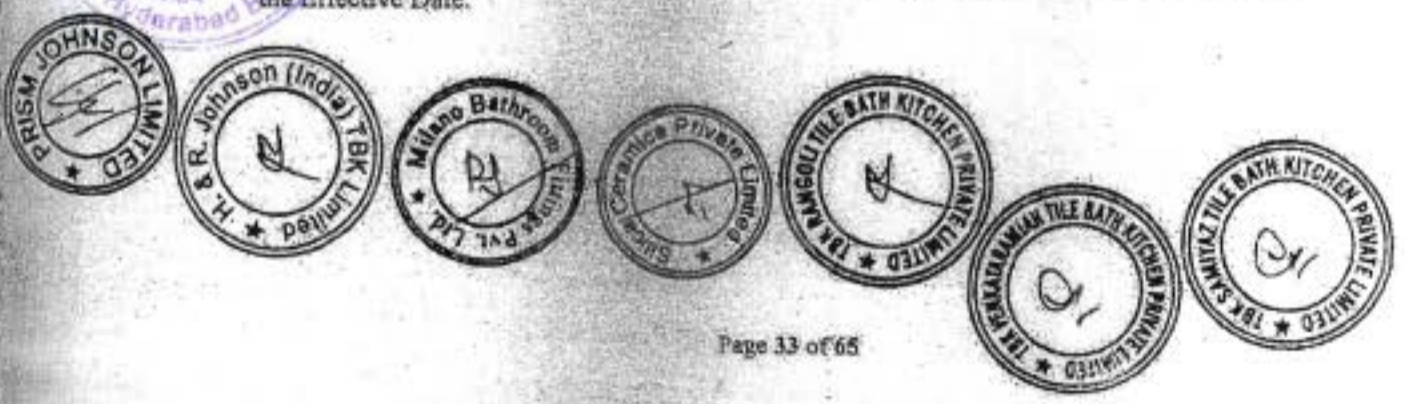


relation to the Part III Demerged Undertakings respectively for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as profit, income, loss or expenditure, as the case may be, of the Resulting Company I.

- 9.3. All assets acquired by Part III Demerged Companies on or after the Appointed Date and prior to the Effective Date for operation of the Part III Demerged Undertakings or pertaining to the Part III Demerged Undertakings shall be deemed to have been acquired in trust for and on behalf of the Resulting Company I, and shall also stand transferred to and vested in the Resulting Company I upon the coming into effect of this Scheme.
- 9.4. Where any of the Liabilities and obligations of Part III Demerged Companies as on the Appointed Date deemed to be transferred to the Resulting Company I have been discharged by Part III Demerged Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company I, and all loans raised and used and all liabilities and obligations incurred by Part III Demerged Companies for the operations of the Part III Demerged Undertakings after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company I, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company I and shall become the Liabilities and obligations of the Resulting Company I, which shall be liable to meet, discharge and satisfy the same.
- 9.5. All taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, banking cash transaction tax, tax collected at source, taxes withheld/paid in a foreign country, customs duty, goods and services tax, as applicable, cess, tax refunds) payable by or refundable to Part III Demerged Companies pertaining to the Part III Demerged Undertakings including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Part III Demerged Companies) as the case may be, of Resulting Company I, and any unabsorbed tax losses and depreciation as would have been available to Part III Demerged Companies shall be available to Resulting Company I upon the Scheme becoming effective.
- 9.6. Part III Demerged Companies hereby confirm that they shall continue, from the date of approval of the Scheme by the Board of Part III Demerged Companies and up to the Effective Date, to preserve and carry on the Part III Demerged Undertakings with due diligence and prudence.



9.7. Subject to the terms of the Scheme, the transfer and vesting of the Part III Demerged Undertakings as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or with effect from the Appointed Date as applicable till the Effective Date.



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10. CONSIDERATION

10.1. As the entire share capital of Part III Demerged Companies is held by Resulting Company 1 along with its nominees, it is expressly understood that, upon this scheme becoming effective, there will be no issue and allotment of any securities by Resulting Company 1 in respect of demerger of Part III Demerged Undertakings. Further, there may be reduction in the value of investment held by Resulting Company 1 in Part III Demerged Companies, pursuant to Demerger 1.

11. ACCOUNTING TREATMENT

Upon the draft Scheme becoming effective, the Resulting Company 1 and Part III Demerged Companies shall account for Demerger 1 of the Part III Demerged Undertakings in their books of account in accordance with IND AS 103 - "Business Combination" and other IND AS as may be applicable or prescribed under the 2013 Act.

12. COMPLIANCE WITH SECTION 2(19AA) OF THE INCOME TAX ACT

The provision of this Scheme as they relate to the Demerger 1 complies with the conditions relating to "demerger" as defined and specified under section 2(19AA) of the Income Tax Act. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of section 2(19AA) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of section 2(19AA) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

13. DATE OF EFFECTIVENESS OF PART III OF THE SCHEME

This Part III of the Scheme shall come into effect from Effective Date.



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PART IV - SUBSEQUENT DEMERGER OF PART IV DEMERGED UNDERTAKING OF PART IV DEMERGED COMPANY INTO RESULTING COMPANY 2

14. TRANSFER AND VESTING OF PART IV DEMERGED UNDERTAKING OF PART IV DEMERGED COMPANY INTO RESULTING COMPANY 2

- 14.1. Upon coming into effect of Part III of this Scheme and not otherwise, the 'Resulting Company 1' shall be referred as the 'Demerged Company 4' or 'Part IV Demerged Company' for the purpose of Part IV of this Scheme.
- 14.2. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Part IV Demerged Undertaking together with all their business and operations including all their assets and liabilities shall, pursuant to the provisions of Sections 230 to 232, and other relevant provisions of the 2013 Act, and in accordance with Section 2(19AA) of the Income Tax Act, without any further act, instrument or deed, be deemed to be demerged from Part IV Demerged Company and transferred to and vest in, or be deemed to be transferred to and vested in the Resulting Company 2, as a going concern on "as-is-where-basis", so as to become as and from the Appointed Date, the undertaking of the Resulting Company 2 by virtue of and in the manner provided in Part IV of this Scheme.
- 14.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of Applicable Laws and the 2013 Act, all the consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), properties, claims, title, interest and authorities including accretions and appurtenances, powers of attorneys given by, issued to or executed in favour of Part IV Demerged Company, and the rights and benefits under the same shall, insofar as they relate to the Part IV Demerged Company and all quality certifications and approvals, trademarks, brand names, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods, services or any other assets being directly and exclusively dealt with by the Part IV Demerged Undertaking shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, shall stand transferred to and vested in the Resulting Company 2. In respect of all the movable assets of Part IV Demerged Company in so far as they pertain to the Part IV Demerged Undertaking and the other assets pertaining to Part IV Demerged Undertaking which are otherwise capable of transfer to the Resulting Company 2 shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery or by constructive delivery, as the case may be, to the Resulting Company 2 to the end and intent that the property and benefit therein passes to the Resulting Company 2 with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of Part IV Demerged Company and the Resulting Company 2 by way of delivery of possession of the respective documents, as a part of the transfer of the Part IV Demerged Undertaking as a going concern. In respect of any intangible moveable assets of Part IV Demerged Company pertaining to the Part IV Demerged Undertaking, other than those mentioned hereinabove, and actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be



received and deposits with any Appropriate Authority and customers, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company 2. The Resulting Company 2 may, issue notices in such form as the Resulting Company 2 may deem fit and proper stating that pursuant to the Scheme becoming effective, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company 2, as the person entitled thereto, to the end and intent that the right of Part IV Demerged Company to recover or realize the same stands transferred to the Resulting Company 2 and that appropriate entries shall be passed in their respective books to record the aforesaid changes. It is hereby clarified that investments, if any, made by the Part IV Demerged Company pertaining to the Part IV Demerged Undertaking and all the right, title and interest pertaining to the Part IV Demerged Undertaking of the Part IV Demerged Company shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 2.

- 14.4. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the various incentives, goods and services tax benefits, all tax holiday, deductions under the Income Tax Act, subsidies (including applications for subsidies), grants, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority or by any other person, or availed of by Part IV Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Part IV Demerged Undertaking, vest with and be available to the Resulting Company 2 on the same terms and conditions. All intangible assets including various business or commercial rights, etc., if any, belonging to but not recorded in books of Part IV Demerged Company pertaining to Part IV Demerged Undertaking, shall be transferred to and vested with Resulting Company 2.
- 14.5. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts and Liabilities of the Part IV Demerged Company pertaining to the Part IV Demerged Undertaking shall, pursuant to the applicable provisions of 2013 Act and the provisions of this Scheme and, without any further act or deed, become the debts and Liabilities of the Resulting Company 2, and Resulting Company 2 shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and Liabilities have arisen in order to give effect to the provisions of this clause. The amounts of general or multipurpose borrowings, if any, of the Part IV Demerged Company will be apportioned on the basis of the proportion of the value of the assets transferred in Demerger 2 of Part IV Demerged Undertaking to the total value of the assets of the Part IV Demerged Company immediately before the Demerger 2.
- 14.6. Where any of the Liabilities of the Part IV Demerged Undertaking as on the Appointed Date deemed to be transferred to the Resulting Company 2 have been discharged by Part IV Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company 2.
- 14.7. All inter-se liabilities, between Part IV Demerged Company pertaining to Part IV Demerged Undertaking and Resulting Company 2, if any, due or outstanding or which



may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Resulting Company 2.

14.8. It is expressly clarified that in case any question that may arise as to whether any particular asset or liability pertains or does not pertain to the Part IV Demerged Undertaking of the Part IV Demerged Company, or whether it arises out of the activities or operations of the Part IV Demerged Undertaking, the same shall be decided by mutual agreement between Board of Directors of the Part IV Demerged Company and that of Resulting Company 2.

14.9. The Demerger 2 and the transfer and vesting of the assets shall be subject to the Encumbrances, if any affecting the same as hereinafter provided:

- (a) The Encumbrances or those, if any, in terms of this Scheme, over the assets comprised in Part IV Demerged Undertaking, or any part thereof transferred to the Resulting Company 2, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached to, prior to the Effective Date and such Encumbrances shall not relate to or attach to any of the other assets of Resulting Company 2.
- (b) In so far as any Encumbrances over the assets comprised in the Part IV Demerged Undertaking are security for Liabilities of the Remaining Business of Part IV Demerged Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets of the Part IV Demerged Undertaking, shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with Part IV Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company 2. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (c) Any reference in any security documents or arrangements (to which the Part IV Demerged Company is a party) to the Part IV Demerged Company and its assets and properties, shall be construed as a reference to the Resulting Company 2 and the assets and properties of the Part IV Demerged Company transferred to the Resulting Company 2 pursuant to Part IV of this Scheme.
- (d) In so far as any Encumbrances over the assets comprised in the Remaining Business of Part IV Demerged Company are security for the Liabilities of Part IV Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (e) Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming effective, Part IV Demerged Company and the Resulting Company 2



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shall execute appropriate deeds of confirmations, all instruments or documents or do all the acts and deeds as may be required, with any party to any contract or arrangement in relation to Part IV Demerged Undertaking, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required. The Resulting Company 2 shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Part IV Demerged Company in relation to the Part IV Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Part IV Demerged Company *inter alia* in its capacity as the successor-in-interest of the Part IV Demerged Company in relation to the Part IV Demerged Undertaking.

(f) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of Clause 14 shall operate, 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 stand modified and/or superseded by the foregoing provisions.

14.10. It is hereby clarified that the rest of the assets and Liabilities (other than those forming part of the Part IV Demerged Undertaking or otherwise specified in this Scheme) of Part IV Demerged Company shall continue in Part IV Demerged Company.

14.11. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Part IV Demerged Company pertaining to the Part IV Demerged Undertaking after the Effective Date shall be accepted by the bankers of the Resulting Company 2 and credited to the account of the Resulting Company 2, if presented by the Resulting Company 2. Similarly, the banker of the Resulting Company 2 shall honour all cheques issued by Part IV Demerged Company pertaining to the Part IV Demerged Undertaking for payment after the Effective Date. If required, Part IV Demerged Company shall allow maintaining of bank accounts in its name by the Resulting Company 2 for such time as may be determined to be necessary by Part IV Demerged Company and the Resulting Company 2 for presentation and deposition of cheques and pay orders that have been issued in the name of Part IV Demerged Company in connection with the business of Part IV Demerged Undertaking.

14.12. It is clarified that if any assets (claims, rights, title, interest in, or authorities relating to such assets) or liabilities or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to Part IV Demerged Undertaking which Part IV Demerged Company owns or to which Part IV Demerged Company is a party and which cannot be transferred to the Resulting Company 2 for any reason whatsoever, Part IV Demerged Company shall hold such assets or contract, deeds, bonds, liabilities, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the Resulting Company 2 to which the Part IV Demerged Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

14.13. All necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists,



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data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the Part IV Demerged Undertaking shall be transferred to the Resulting Company 2;

- 14.14. All statutory rights and obligations pertaining to Part IV Demerged Undertaking would vest in/accrue to Resulting Company 2. Hence, obligation pertaining to Part IV Demerged Undertaking, prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under the Goods and Service Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Part IV Demerged Company and if any form relating to the period prior to the said Effective Date is received in the name of Part IV Demerged Company, it would be deemed to have been received by Resulting Company 2 in fulfilment of their obligations.

15. LEGAL PROCEEDINGS

- 15.1. All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Part IV Demerged Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the demerger or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Part IV Demerged Company, as if this Scheme had not been made.

- 15.2. With effect from the Effective Date, all Legal Proceedings by or against Part IV Demerged Company relating to the Part IV Demerged Undertaking respectively under any statute, whether pending on the Appointed Date or which may be instituted anytime thereafter, shall be continued and enforced by or against the Resulting Company 2 after the Effective Date, to the extent legally permissible. To the extent the Legal Proceedings cannot be taken over by the Resulting Company 2, the Legal Proceedings shall be pursued by or against the Part IV Demerged Company as per the instructions of and entirely at the costs and expenses of the Resulting Company 2. In the event that such liability is incurred or such claim or demand is made upon Part IV Demerged Company (or any successor thereof) pertaining to the Part IV Demerged Undertaking, then the Resulting Company 2 shall reimburse and indemnify Part IV Demerged Company (or any successor thereof) for any payments made in relation to the same.

- 15.3. Upon the coming into effect of this Scheme, any Legal Proceedings by or against Part IV Demerged Company under any statute, whether or not pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of Part IV Demerged Company (including those relating to any property, right, power or liabilities of Part IV Demerged Company in respect of the Remaining Business of Part IV Demerged Company) shall be continued and enforced by or against Part IV Demerged Company. The Resulting Company 2 shall in no event be responsible or liable for or in relation to any such Legal Proceeding by or against Part IV Demerged Company.



15.4. The Resulting Company 2 undertakes to have accepted on behalf of itself, all suits, claims, actions and Legal Proceedings initiated pertaining to the Part IV Demerged Undertaking, transferred to its name and to have the same continued, prosecuted and enforced by or against the Resulting Company 2.

16. **CONTRACTS, LICENSES, APPROVALS AND PERMITS**

16.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all leases, licenses, guarantees, approvals, permissions, registrations, consents or permits, whether governmental or otherwise, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Part IV Demerged Undertaking to which Part IV Demerged Company respectively is a party or to the benefit of which Part IV Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of, as the case may be, vest in the Resulting Company 2, and may be enforced as fully and effectually as if, instead of Part IV Demerged Company, the Resulting Company 2 had been a party or beneficiary or obliged thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company 2 pursuant to the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company 2 shall file appropriate applications / documents / intimations with relevant authorities concerned for the information and record purposes.

16.2. Any inter-se contracts between the Resulting Company 2 and the Part IV Demerged Company pertaining to Part IV Demerged Undertaking shall stand cancelled and cease to operate upon the Scheme becoming effective.

16.3. All guarantees provided by any bank in relation to the Part IV Demerged Undertaking of the Part IV Demerged Company outstanding as on the Effective Date, shall vest in the Resulting Company 2 and shall ensure to the benefit of the Resulting Company 2 and all guarantees issued by the bankers of the Part IV Demerged Company in relation to the Part IV Demerged Undertaking at their request favouring any third party shall be deemed to have been issued at the request of the Resulting Company 2 and continue in favour of such third party till its maturity or earlier termination.

16.4. It is hereby clarified that if any licenses, approvals, permits, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Part IV Demerged Undertaking to which Part IV Demerged Company is a party to, cannot be transferred to the Resulting Company 2 for any reason whatsoever, Part IV Demerged Company shall hold such licenses, approvals, permits, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company 2, in so far as it is permissible so to do till such time as the transfer is affected.

16.5. Benefits of any and all corporate approvals as may have already been taken by the Part IV Demerged Company in connection with the Part IV Demerged Undertaking shall stand transferred to the Resulting Company 2 and the said corporate approvals and compliances



shall be deemed to have been taken/ complied with by the Resulting Company 2.

16.6. The Resulting Company 2 shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences and certificates which were held or enjoyed by the Part IV Demerged Company in connection with the Part IV Demerged Undertaking. For the avoidance of doubts, it is clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company 2 pursuant to the Scheme becoming effective. The Resulting Company 2 shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Resulting Company 2 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Part IV Demerged Company insofar as the same are in connection with the Part IV Demerged Undertaking and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

16.7. In relation to the above, any procedural requirements required to be fulfilled solely by Part IV Demerged Company (and not by its successors) insofar as the same are in connection with the Part IV Demerged Undertaking, shall be fulfilled by Resulting Company 2 as if it is the duly constituted attorney of Part IV Demerged Company.

17. TREATMENT OF TAXES

17.1. All taxes (including income tax, advance tax, minimum alternate tax and credits, securities transaction tax, self-assessment tax, sales tax, service tax, goods and services tax, etc.) including interest, penalty, surcharge and cess, if any paid or payable by or refundable to Part IV Demerged Company, in respect of the operations and / or the profits of the Part IV Demerged Undertaking before the Appointed Date, shall be on account of Part IV Demerged Company, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and services tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by Part IV Demerged Company in respect of the profits or activities or operation of the Part IV Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company 2, and shall, in all proceedings, be dealt with accordingly. It is hereby clarified that MAT Credit entitlement of Part IV Demerged Company pertaining to Part IV Demerged Undertaking under section 115JB read with section 115JAA of IT Act as on Appointed Date shall also get transferred to Resulting Company 2 upon Demerger 2.

17.2. Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Part IV Demerged Undertaking is received in the name of Part IV Demerged Company respectively, or tax credit relating to the Part IV Demerged Undertaking is appearing in Form 26AS of the Part IV Demerged Company, it shall be deemed to have been received by and in the name of the Resulting Company 2 which alone shall be entitled to claim credit for such tax deducted or paid.



- 17.3. Upon the coming into effect of this Scheme, Part IV Demerged Company and the Resulting Company 2 are expressly permitted to file / revise / reopen their respective tax returns / computation of total income after giving effect of Demerger 2 electronically and if the electronic filing is not enabled in the official website of the income tax department, it can be filed manually before the income tax authorities holding jurisdiction over the Part IV Demerged Company and the Resulting Company 2 even if the time limit prescribed for filing revised return of income / computation of total income, as applicable, has lapsed and/or assessment proceedings has been completed and no further approval for filing revised return / revised computation of total income after giving effect of the Demerger 2 shall be required from CBDT or any other Appropriate Authority and also revise related withholding tax certificates, including withholding tax certificates relating to transactions between Part IV Demerged Company and the Resulting Company 2, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or tax related deductions, or any other tax related compliances or filings of forms.
- 17.4. The goods and services tax paid by Part IV Demerged Company in respect of goods & services provided by the Part IV Demerged Undertaking for the period commencing from the Appointed Date shall be deemed to be the goods and services tax paid by the Resulting Company 2, and credit for such goods and services tax shall be allowed to the Resulting Company 2 notwithstanding that challans for goods and services tax payments are in the name of Part IV Demerged Company and not in the name of the Resulting Company 2.
- 17.5. Upon the coming into effect of this Scheme and as per the provisions of section 72A and other applicable provisions of the IT Act, all accumulated losses and unabsorbed depreciation, if any, of the Part IV Demerged Company pertaining to the Part IV Demerged Undertaking (including all accumulated losses and unabsorbed depreciation pertaining to Part III Demerged Companies vested in Part IV Demerged Company upon Demerger 1) shall be transferred to the Resulting Company 2. It is expressly clarified that all the accumulated losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Resulting Company 2.

18. EMPLOYEES

- 18.1. All the employees of Part IV Demerged Company who are exclusively part of the Part IV Demerged Undertaking and those employees as the board of directors may determine shall stand transferred to the Resulting Company 2 on Effective Date on terms and conditions, which as a result, shall not be less favourable than the terms and conditions of employment offered by Part IV Demerged Company (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and / or any other retirement benefits) without any interruption in service as a result of transfer of the Part IV Demerged Undertaking to the Resulting Company 2 and without any further act, deed or instrument on the part of Part IV Demerged Company or the Resulting Company 2.
- 18.2. Upon the Scheme becoming effective, part IV Demerged Company will transfer/handover



to Resulting Company 2, copies of employment information of all such transferred employees of Part IV Demerged Company, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

18.3. The Resulting Company 2 agrees that the services of all such employees (as mentioned in Clause 18.1 above) with Part IV Demerged Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity fund plans, provident fund plans, superannuation fund plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in Part IV Demerged Company who were part of the Part IV Demerged Undertaking respectively.

18.4. The existing provident fund, superannuation and gratuity fund, incentives, if any, of which the aforesaid employees of Part IV Demerged Company, who are part of the Part IV Demerged Undertaking, are members or beneficiaries, along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break, to be administered by the Resulting Company 2 or as may be created by the Resulting Company 2 for the benefit of such employees on the same terms and conditions. All benefits and schemes being provided to the transferred employees will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of Part IV Demerged Company, would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Resulting Company 2. In case necessary approvals are not received or the respective funds are not created by the Effective Date and there is delay, all such amounts shall continue to be administered by Part IV Demerged Company as a trustee from the Effective Date till the date of actual transfer and on receiving the approvals, all the accumulated amounts till such date, shall be transferred to the respective funds of the Resulting Company 2 in accordance with the approvals that have been obtained.

19. SAVING OF CONCLUDED TRANSACTIONS

The demerger and vesting of the assets and Liabilities of the Part IV Demerged Undertaking as per this Scheme, and the continuance of the Legal Proceedings by or against the Resulting Company 2 shall not affect any transaction or proceedings already completed by the Part IV Demerged Undertaking on or after the Appointed Date but before the Effective Date, to the end and intent that the Resulting Company 2 accepts all acts, deeds and things done and executed by and / or on behalf as acts, deeds and things done and executed by and on behalf of the Resulting Company 2.



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20. CONDUCT OF BUSINESS OF THE PART IV DEMERGED UNDERTAKING OF PART IV DEMERGED COMPANY UNTIL THE EFFECTIVE DATE

20.1. With effect from the Appointed Date and up to and including the Effective Date, Part IV Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Part IV Demerged Undertaking for and on account of and in trust for the Resulting Company 2.

20.2. All profits or income accruing or arising to Part IV Demerged Company or losses including tax losses, or expenditure arising or incurred by Part IV Demerged Company in relation to the Part IV Demerged Undertaking respectively for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as profit, income, loss or expenditure, as the case may be, of the Resulting Company 2.

20.3. All assets acquired by Part IV Demerged Company on or after the Appointed Date and prior to the Effective Date for operation of the Part IV Demerged Undertaking or pertaining to the Part IV Demerged Undertaking shall be deemed to have been acquired in trust for and on behalf of the Resulting Company 2, and shall also stand transferred to and vested in the Resulting Company 2 upon the coming into effect of this Scheme.

20.4. Where any of the liabilities and obligations of Part IV Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company 2 have been discharged by Part IV Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company 2, and all loans raised and used and all liabilities and obligations incurred by Part IV Demerged Company for the operations of the Part IV Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company 2, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company 2 and shall become the liabilities and obligations of the Resulting Company 2, which shall be liable to meet, discharge and satisfy the same.

20.5. All taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, banking cash transaction tax, tax collected at source, taxes withheld/paid in a foreign country, customs duty, goods and service tax, as applicable, cess, tax refunds) payable by or refundable to Part IV Demerged Company pertaining to the Part IV Demerged Undertaking including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Part IV Demerged Company) as the case may be, of Resulting Company 2, and any unabsorbed tax losses and depreciation as would have been available to Part IV Demerged Company shall be available to Resulting Company 2 upon the Scheme becoming effective.

20.6. Part IV Demerged Company hereby confirms that it shall continue, from the date of approval of the Scheme by the Board of Part IV Demerged Company and up to the Effective Date, to preserve and carry on the Part IV Demerged Undertaking with due diligence and prudence.



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20.7. Subject to the terms of the Scheme, the transfer and vesting of the Part IV Demerged Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or with effect from the Appointed Date as applicable till the Effective Date.

21. CONSIDERATION

As the entire share capital of Part IV Demerged Company is held by Resulting Company 2 along with its nominees, it is expressly understood that, upon this scheme becoming effective, there will be no issue and allotment of any securities by Resulting Company 2 in respect of demerger of Part IV Demerged Undertaking. Further, there may be reduction in the value of investment held by Resulting Company 2 in Part IV Demerged Company, pursuant to Demerger 2.

22. ACCOUNTING TREATMENT

Upon the draft Scheme becoming effective, the Resulting Company 2 and Part IV Demerged Company shall account for Demerger 2 of the Part IV Demerged Undertaking in their books of account in accordance with IND AS103 - "Business Combination" and other IND AS as may be applicable or prescribed under the 2013 Act.

23. COMPLIANCE WITH SECTION 2(19AA) OF THE INCOME TAX ACT

The provision of this Scheme as they relate to the Demerger 2 complies with the conditions relating to "demerger" as defined and specified under section 2(19AA) of the Income Tax Act. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of section 2(19AA) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of section 2(19AA) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

24. DATE OF EFFECTIVENESS OF PART IV OF THE SCHEME

This Part IV of the Scheme shall come into effect from the Effective Date.



PART V REDUCTION OF SHARE CAPITAL

25. REDUCTION OF SHARE CAPITAL TO BE UNDERTAKEN BY SILICA

- 25.1. As on the Appointed Date, the balance in securities premium account of Silica is INR 1,51,38,02,000/- (One hundred fifty one crores thirty eight lakhs two thousand rupees). Subject to the terms and conditions contained herein, all requisite approvals being obtained and in accordance with the provisions of Section 230 & 232 read with Section 52 and other applicable provisions of the 2013 Act, upon the Scheme becoming effective, pursuant to NCLT sanctioned order, the balance in securities premium account of Silica shall stand reduced by INR 1,51,38,02,000/- (One hundred fifty one crores thirty eight lakhs two thousand rupees).
- 25.2. The above reduction in the securities premium account shall be effected by offsetting the debit balance of retained earnings in the books of Silica in accordance with the Part V of this Scheme as an integral part of the Scheme.
- 25.3. Upon the Scheme becoming effective, the reduction of securities premium account shall be effected as an integral part of the Scheme, in accordance with the applicable provisions of the 2013 Act, and rules and regulations framed thereunder.
- 25.4. The order of the competent authority sanctioning this scheme shall also be deemed to be orders passed under Section 66 of the 2013 Act for the purpose of confirming the reduction. Notwithstanding the reduction in the securities premium, Silica shall not be required to add "And Reduced" as suffix to its name. The reduction in the securities premium account shall be effected as an integral part of the Scheme and in accordance with the applicable provisions of the 2013 Act and rules and regulations framed thereunder without any further act or deed on the part of Amalgamating Company 2.
- 25.5. The consent of shareholders of Amalgamating Company 2 to the Scheme by way of special resolution and the consent of the secured and unsecured creditors of the Amalgamating Company 2 shall be deemed to be sufficient for the purpose of effecting Part V of the Scheme and no further resolution or action under any other provisions of the 2013 Act and rules and regulations framed thereunder would be required to be separately passed or taken.
- 25.6. The reduction of the securities premium account of Amalgamating Company 2 in terms of this Scheme shall be given effect prior to giving effect to Amalgamation in terms of Part VI of this Scheme.



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PART VI - SUBSEQUENT MATTERS TO BE DONE BY THE AMALGAMATING COMPANIES WITH A VIEW TO THE RESULTING COMPANY

26. TRANSFER AND VESTING OF AMALGAMATING COMPANIES INTO AMALGAMATED COMPANY

26.1. Upon coming into effect of Part IV of this Scheme and not otherwise, the 'Resulting Company 2' shall be referred as the 'Amalgamated Company' for the purpose of Part VI of this Scheme.

26.2. Upon the Scheme becoming effective with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the 2013 Act and other applicable provisions of the 2013 Act, and in accordance with Section 2(1B) of the Income Tax Act, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of Amalgamating Companies shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred and vested in the Amalgamated Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. as a going concern "as-is-where-basis", by virtue of and in manner as provided in the Part VI of this Scheme.

26.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme becoming effective with effect from the Appointed Date, and in accordance with the provisions of all applicable Laws and the 2013 Act, all the consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), properties, claims, title, interest and authorities including accretions and appurtenances, powers of attorneys given by, issued to or executed in favour of Amalgamating Companies, and the rights and benefits under the same shall, insofar as they relate to the Amalgamating Companies and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods, services or any other assets being directly and exclusively dealt with by the Amalgamating Companies shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, shall stand transferred to and vested in the Amalgamated Company. In respect of all the movable assets and the other assets of Amalgamating Companies which are otherwise capable of transfer to the Amalgamated Company shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery or by constructive delivery, as the case may be, to the Amalgamated Company to the end and intent that the property and benefit therein passes to the Amalgamated Company with effect from the Appointed Date without requiring any deed or instrument of conveyance for transfer of the same. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of Amalgamating Companies and the Amalgamated Company by way of delivery of possession of the respective documents, as a part of the transfer of the Amalgamating Companies as a going concern. In respect of any intangible moveable assets of Amalgamating Companies, other than those mentioned hereinabove, and actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with any Appropriate Authority and customers, the same shall on and from the Appointed Date stand transferred to and vested



in the Amalgamated Company. The Amalgamated Company may, issue notices in such form as may deem fit and proper stating that pursuant to the Scheme becoming effective, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Amalgamated Company, as the person entitled thereto, to the end and intent that the right of Amalgamating Companies to recover or realize the same stands transferred to the Amalgamated Company and that appropriate entries shall be passed in their respective books to record the aforesaid changes.

26.4. Upon coming into effect of this Scheme and with effect from the Appointed Date, all the various incentives (including benefit available under section 80IB of IT Act), service tax benefits, good and services tax benefits, all tax holiday, deductions under the Income Tax Act, subsidies (including applications for subsidies), grants, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority or by any other person, or availed of by Amalgamating Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Amalgamated Company on the same terms and conditions. All intangible assets including various business or commercial rights, etc., if any, belonging to but not recorded in books of Amalgamating Companies pertaining to Amalgamating Companies, shall be transferred to and vested with Amalgamated Company.

26.5. all immovable properties of Amalgamating Companies, including land together with the buildings and structures standing thereon or under construction and rights and interests in immovable properties of Amalgamating Companies, (whether freehold or leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the employees of Amalgamating Companies, all plant and machineries constructed on or embedded or attached to any such immovable properties, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, and all documents of title, rights and easements in relation thereto shall upon the Scheme becoming effective, stand transferred to and be vested in and be deemed to have been transferred to and vested in Amalgamated Company, without any further act or deed done/executed or being required to be done/executed by Amalgamating Companies / Amalgamated Company. Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of Amalgamated Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT in accordance with the terms hereof.

26.6. all lease and/or license or rent agreements entered into by Amalgamating Companies with various landlords, owners and lessors in connection with the use of the assets of Amalgamating Companies, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. Amalgamated Company shall continue to pay rent or lease or license fee as provided for in such agreements, and Amalgamated Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the



generality of the foregoing, Amalgamated Company shall also be entitled to refund of security deposits paid under such agreements by Amalgamating Companies. All the rights, title, interest and claims of Amalgamating Companies in any leasehold properties, of Amalgamating Companies shall, pursuant to Section 232 of the 2013 Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company.

26.7. All the Liabilities of Amalgamating Companies as on the Appointed Date shall also stand transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company on a going concern basis, without any further act or deed pursuant to Section 232(3) of the 2013 Act, so as to become the Liabilities of the Amalgamated Company on the same terms and conditions as were applicable to Amalgamating Companies respectively.

26.8. Where any of the Liabilities and obligations of Amalgamating Companies as on the Appointed Date deemed to be transferred to the Amalgamated Company have been discharged by Amalgamating Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.

26.9. The transfer and vesting of the assets shall be subject to the Encumbrances, if any affecting the same as hereinafter provided:

(a) The Encumbrances or those, if any, in terms of this Scheme, over the assets comprised in Amalgamating Companies, or any part thereof transferred to the Amalgamated Company, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached to, prior to the Effective Date and such Encumbrances shall not relate to or attach to any of the other assets of Amalgamated Company.

(b) Without prejudice to the foregoing provisions, Amalgamated Company may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

(c) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of Clause 26 shall operate, 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 stand modified and/or superseded by the foregoing provisions.

26.10. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Amalgamating Companies after the Effective Date shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company, if presented by the Amalgamated Company. Similarly, the banker of the Amalgamated Company shall honour all cheques issued by Amalgamating Companies respectively, presented for payment after the Effective Date. If required, Amalgamating Companies shall allow maintaining of bank accounts in its name by the



Amalgamated Company for such time as may be determined to be necessary by Amalgamating Companies and the Amalgamated Company for presentation and deposition of cheques and pay orders that have been issued in the name of Amalgamating Companies.

- 26.11. All necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form of the Amalgamating Companies shall be transferred to and handed over to the Amalgamated Company;
- 26.12. All statutory rights and obligations pertaining to Amalgamating Companies would vest in/accrue to Amalgamated Company. Hence, obligation pertaining to Amalgamating Companies, prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under Goods and Service Tax Acts or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamating Companies and if any form relating to the period prior to the said Effective Date is received in the name of Amalgamating Companies, it would be deemed to have been received by Amalgamated Company in fulfilment of their obligations.

27. LEGAL PROCEEDINGS

- 27.1. All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Companies shall not abate, be discontinued or be in any way prejudicially affected by reason of the Amalgamation or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Companies, as if this Scheme had not been made.
- 27.2. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Companies, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company.

27.3. The Amalgamated Company undertakes to have all suits, claims, actions and Legal Proceedings initiated by or against the Amalgamating Companies transferred to its name and to have the same continued, prosecuted, enforced and defended by or against the Amalgamated Company.

28. CONTRACTS, LICENSES, APPROVALS AND PERMITS

28.1. Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of



whatsoever nature, to which the Amalgamating Companies is a party or to the benefit of which the Amalgamating Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue to be in full force and effect on or against or in favour, as the case may be, of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Companies, the Amalgamated Company had been a party or beneficiary or obligee thereto or thereunder. All such property and rights shall stand vested in Amalgamated Company pursuant to section 232 of the 2013 Act and shall be deemed to have become the property and rights of Amalgamated Company whether the same is implemented by endorsement or delivery and possession or in any other manner.

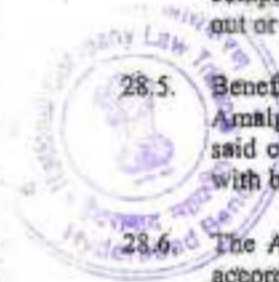
28.2. Any inter-se contracts between the Amalgamated Company and the Amalgamating Companies respectively shall stand cancelled and cease to operate upon this Part VI of the Scheme becoming effective.

28.3. All guarantees provided by any bank in relation to the Amalgamating Companies outstanding as on the Effective Date, shall vest in the Amalgamated Company and shall ensure to the benefit of the Amalgamated Company and all guarantees issued by the bankers of the Amalgamating Companies at their request favouring any third party shall be deemed to have been issued at the request of the Amalgamated Company and continue in favour of such third party till its maturity or earlier termination.

28.4. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Companies occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions, if so required under Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Companies is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Companies to be carried out or performed.

28.5. Benefits of any and all corporate approvals as may have already been taken by the Amalgamating Companies shall stand transferred to the Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken/ complied with by the Amalgamated Company.

28.6. The Amalgamated Company shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences and certificates which were held or enjoyed by the Amalgamating Companies. For the avoidance of doubts, it is clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Amalgamated Company pursuant to the



Scheme becoming effective, and upon this Scheme becoming effective. The Amalgamated Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Companies and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

28.7. In relation to the above, any procedural requirements required to be fulfilled solely by Amalgamating Companies (and not by its successors), shall be fulfilled by Amalgamated Company as if it is the duly constituted attorney of Amalgamating Companies.

29. TREATMENT OF TAXES

29.1. All taxes (including income tax, advance tax, minimum alternate tax and credits, securities transaction tax, self-assessment tax, sales tax, service tax, goods and service tax, etc.) including interest, penalty, surcharge and cess, if any paid or payable by or refundable to Amalgamating Companies, in respect of the operations and / or the profits of the Amalgamating Companies before the Appointed Date, shall be on account of Amalgamating Companies, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, goods and services tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by Amalgamating Companies after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Amalgamated Company, and shall, in all proceedings, be dealt with accordingly. It is hereby clarified that MAT Credit entitlement of Amalgamating Companies under section 115JB read with section 115JAA of IT Act as on Appointed Date shall also get transferred to Amalgamated Company.

29.2. Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Amalgamating Companies is received in the name of Amalgamating Companies respectively, or tax credit relating to the Amalgamating Companies is appearing in Form 26AS of the Amalgamating Companies, it shall be deemed to have been received by and in the name of the Amalgamated Company which alone shall be entitled to claim credit for such tax deducted or paid.

29.3. Upon the coming into effect of this Scheme, Amalgamating Companies and the Amalgamated Company are expressly permitted to file/ revise/ reopen their respective tax returns / computation of total income after giving effect of Amalgamation electronically and if the electronic filing is not enabled in the official website of the income tax department, it can be filed manually before the income tax authorities holding jurisdiction over the Amalgamating Companies and the Amalgamated Company even if the time limit prescribed for filing revised return of income / computation of total income, as applicable has lapsed and/or assessment proceedings has been completed and no further approval for filing revised return / revised computation of total income after giving effect of the Amalgamation shall be required from CBDT or any other Appropriate Authority and also revise related withholding tax certificates, including withholding tax certificates relating to transactions between Amalgamating Companies and the Amalgamated Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or tax related deductions, or any other tax related



compliances or filings of forms.

- 29.4. The goods and services tax paid by Amalgamating Companies for the period commencing from the Appointed Date shall be deemed to be the goods and services tax paid by the Amalgamated Company, and credit for such goods and services tax shall be allowed to the Amalgamated Company notwithstanding that challans for goods and services tax payments are in the name of Amalgamating Companies and not in the name of the Amalgamated Company.
- 29.5. Upon the coming into effect of this Scheme and as per the provisions of section 72A and other applicable provisions of the IT Act, all accumulated losses and unabsorbed depreciation, if any, of the Amalgamating Companies shall be transferred to the Amalgamated Company. It is expressly clarified that all the accumulated losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Amalgamated Company.

30. EMPLOYEES

- 30.1. Upon the coming into effect of this Scheme, all permanent employees and interns/trainees, if any, as on the Effective Date, who are on the payrolls of the Amalgamating Companies, shall become employees of the Amalgamated Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Companies, without any interruption of service as a result of this Amalgamation and transfer.
- 30.2. The Amalgamated Company undertakes that for the purpose of payment of any retrenchment compensation and other terminal benefits to the employees of the Amalgamating Companies, the past services of such employees with the Amalgamating Companies or their predecessors shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable.
- 30.3. Upon the Scheme becoming effective, the Amalgamating Companies will transfer/handover to Amalgamated Company, copies of employment information of all such transferred employees of Amalgamating Companies, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 30.4. The existing provident fund, superannuation and gratuity fund, incentives, if any, of which the aforesaid employees of Amalgamating Companies, are members or beneficiaries, along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break, to be administered by the Amalgamated Company or as may be created by the Amalgamated Company for the benefit of such employees on the same terms and conditions. All benefits and schemes being provided to the transferred employees will be treated as having been



continuous and uninterrupted for the purpose of the aforesaid schemes. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of Amalgamating Companies, would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Amalgamated Company. In case necessary approvals are not received or the respective funds are not created by the Effective Date and there is delay, all such amounts shall continue to be administered by Amalgamating Companies as a trustee from the Effective Date till the date of actual transfer and on receiving the approvals, all the accumulated amounts till such date, shall be transferred to the respective funds of the Amalgamated Company in accordance with the approvals that have been obtained.

- 30.5. The contributions made by Amalgamating Companies in respect of their employees under Applicable Law, to the provident fund, gratuity fund, leave encashment fund and any other special scheme or benefits created, for the period after the Appointed Date shall be deemed to be contributions made by Amalgamated Company.
- 30.6. The Amalgamated Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Amalgamating Companies with any of their employees prior to Appointed Date and from Appointed Date till the Effective Date.

31. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Companies as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Companies on or before the Appointed Date or after the Appointed Date until the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Companies or their predecessors as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Company.

32. CONDUCT OF BUSINESS

- 32.1. With effect from the Appointed Date and up to and including the Effective Date:
- 32.2. The Amalgamating Companies shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Amalgamated Company;
- 32.3. All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by Amalgamating Companies for and on account of and in trust for Amalgamated Company.
- 32.4. All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to the Amalgamating Companies including accumulated losses, for the period commencing the Appointed Date, shall for all purposes be treated as and deemed to be the profits, income, losses or expenses, as the case may be, of the Amalgamated Company.



- 32.5. Any of the rights, powers, authorities or privileges exercised by Amalgamating Companies, shall be deemed to have been exercised by Amalgamated Company for and on behalf of, and in trust for and as an agent of Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Amalgamating Companies, shall be deemed to have been undertaken for and on behalf of and as an agent of Amalgamated Company;
- 32.6. Amalgamating Companies shall not without the concurrence of Amalgamated Company alienate, charge or otherwise deal with any of its assets except in the ordinary course of its business.

33. CONSIDERATION

As the entire paid up share capital of Amalgamating Companies are held by Amalgamated Company along with its nominees, it is expressly understood that, upon this Scheme becoming effective, there will be no issue and allotment of any securities by Amalgamated Company in respect of Amalgamation. Consequently, the investment of Amalgamated Company in entire paid-up share capital of the Amalgamating Companies shall stand cancelled in the books of Amalgamated Company, pursuant to Amalgamation.

34. ACCOUNTING TREATMENT

Upon the draft Scheme becoming effective, the Amalgamated Company shall account for Amalgamation in their books of account in accordance with IND AS 103 - "Business Combination" and such other IND AS as may be applicable or prescribed under the 2013 Act.

35. DISSOLUTION

On the Scheme becoming effective, the Amalgamating Companies, without any further act, instrument or deed, shall stand dissolved without being wound-up.

36. COMPLIANCE WITH SECTION 2(1B) OF THE INCOME TAX ACT, 1961

The provision of Part VI of this Scheme as they relate to the Amalgamation comply with the conditions relating to "amalgamation" as defined and specified under section 2(1B) of the Income Tax Act. If any terms or provisions or part of Part VI of this Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of section 2(1B) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with section 2(1B) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

DATE OF EFFECTIVENESS OF PART VI OF THE SCHEME

This Part VI of the Scheme shall come into effect from Effective Date.



38. SUBDIVISION, REORGANISATION AND COMBINATION OF THE AUTHORISED SHARE CAPITAL

38.1. As an integral part of the Scheme, the preference share capital of Amalgamating Company 1 aggregating to 3,87,500 shares of INR 100 each shall stand reclassified and sub-divided into 38,75,000 equity shares of Rs. 10/- each and no separate procedure shall be required to be followed or no separate fees required to be paid under the applicable provisions of the 2013 Act. Further, the face value of 1 (One) equity share of Amalgamating Company 1 amounting to Rs. 100/- (Rupees Hundred only) shall be subdivided into face value of Rs.10/- (Rupees Ten only) comprising 10 (Ten) equity shares of Amalgamating Company 1. Accordingly, after the above reclassification and sub-division, the authorised equity share capital of the Amalgamating Company 1 shall be restructured as follows:

"The authorised share capital of the Amalgamating Company 1 is Rs.4,60,50,000/ (Rupees Four Crore Sixty Lakhs Fifty thousand only) divided into 46,05,000 (Forty Six Lakh Five Thousand only) equity shares of Rs. 10/- (Rupees Ten only) each".

38.2. As an integral part of the Scheme, and after giving effect to clause 38.1 and 38.2 above, the authorised share capital of both the Amalgamating Companies shall stand transferred and be added with the authorised share capital of Amalgamated Company without any further act, instrument or deed pursuant to the provisions of Sections 13, 14, 61, 64 and Section 232 of the 2013 Act and no separate resolutions or consents and approvals would be required to be passed by the Amalgamated Company. The authorised share capital of Amalgamated Company will accordingly be increased to give effect to such merger of the authorized share capital. For this purpose, the stamp duty and fee paid on the authorised share capital of the Amalgamating Companies shall be utilised and applied to the increased authorised share capital of the Amalgamated Company and Amalgamated Company shall pay the differential amount, if any, after adjustment of such set off.

38.3. It is clarified that the approval of the members of the Amalgamating Companies to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital and amendment of the capital clause of the Memorandum of Association under the provisions of Section 13, 14, 61 and 64 of the 2013 Act and other applicable provisions of the 2013 Act.

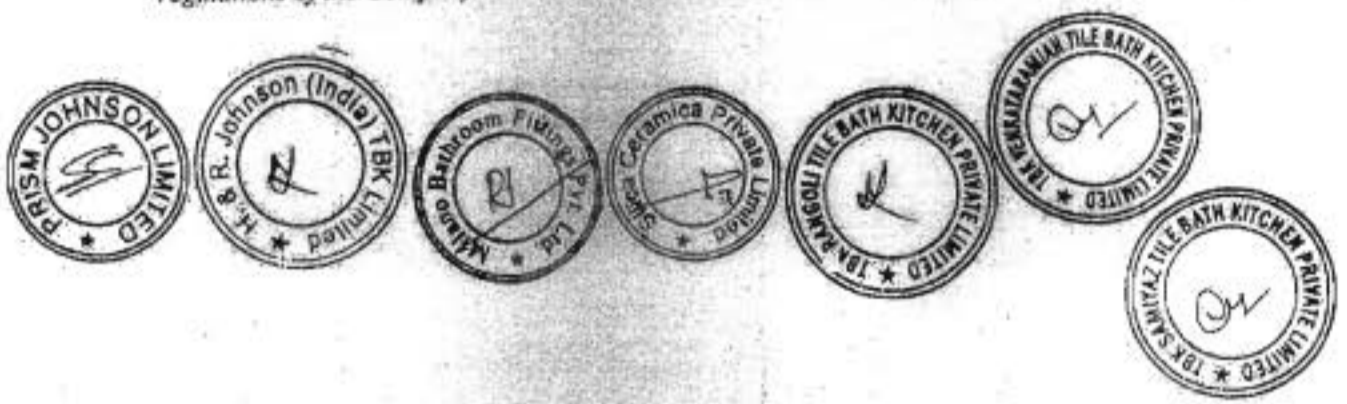
38.4. Consequently upon the merger and increase in authorised share capital pursuant to Clause 38.1-38.3, Clause V of the Memorandum of Association of the Amalgamated Company upon the coming into effect of this Scheme and without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61, 64 and Section 232 and other applicable provisions of the 2013 Act, as the case may be and be replaced by the following clause:

"The Authorised Share Capital of the Company is INR 651,21,50,000 (Rupees Six Hundred Fifty One Crores twenty one lakhs fifty thousand only) divided into 65,12,15,000 (Sixty Five Crores Twelve Lakhs Fifteen Thousand only) Equity shares of INR 10/- (Rupees Ten only) each with such rights, privileges and conditions attached thereto as may be determined by the General Meeting at the time of issue. The Company has and shall always have the power to divide the share capital from time to time and to vary, modify and abrogate any rights, privileges or conditions



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attached to its shares in such a manner as may, for the time being, be provided in the regulations of the Company."



PART VII - GENERAL TERMS & CONDITIONS**39. APPLICATION TO NCLT**

All companies which are parties to this Scheme shall, as may be required, make applications and / or petitions under Sections 230 to 232 of the 2013 Act read with Section 52 and other applicable provisions of the 2013 Act before the NCLT, for sanction of this Scheme and all matters ancillary or incidental thereto.

40. APPOINTED DATE

40.1. The Scheme is effective from the Appointed Date. It is proposed to fix the April 1, 2018 as the Appointed Date tentatively, subject to NCLT deciding/ approving any other date as the Appointed date, due to the following reasons:

- a. It will enable implementation of better governance systems of PJI, being a listed company, in the Part III Demerged Undertakings, Part IV Demerged Undertaking and Amalgamating Companies;
- b. This would enable better consolidation of accounting systems and MIS (Management Information Systems) and can result in better reporting management as may be expected of a listed entity; and
- c. It will have a lasting impact in the implementation of internal control mechanism, including internal financial control, into the Part III Demerged Undertakings, Part IV Demerged Undertaking and Amalgamating Companies as part of PJI, if it is fairly from a long period and the results of these can easily be evaluated and compared.

40.2. It is hereby clarified and confirmed that fixing April 1, 2018 as the tentative Appointed Date, shall not in any way prejudicially effect the interests of shareholders, creditors and public at large.

41. DECLARATION OF DIVIDEND, BONUS AND OTHERS

41.1. During the pendency of the Scheme, PJI, HRJ TBK, Silica, Milano, TBK Rangoli, TBK Venkat & TBK Samiyaz, subject to clause 41.4 and clause 41.5 hereinafter, shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

41.2. The shareholders of PJI, HRJ TBK, Silica, Milano, TBK Rangoli, TBK Venkat & TBK Samiyaz shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

41.3. For avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent companies involved in the Scheme from issuing fully paid up bonus equity shares to its shareholders in accordance with Applicable Law.



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- 41.4. Part III Demerged Companies shall not utilise the profits or income, if any, relating to the Part III Demerged Undertakings for any purpose, which is not in the ordinary course of business, in respect of the period falling on and after the date of approval of this Scheme by the Board of Directors of Part III Demerged Companies and Resulting Company 1, without the prior written consent of the Board of Directors of Resulting Company 1.
- 41.5. Part IV Demerged Company shall not utilise the profits or income, if any, relating to the Part IV Demerged Undertaking for any purpose, which is not in the ordinary course of business, in respect of the period falling on and after the date of approval of this Scheme by the Board of Directors of Part IV Demerged Company and Resulting Company 2, without the prior written consent of the Board of Directors of Resulting Company 2.
- 41.6. It is clarified that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on the shareholders of P/JL, HRJ TBK, Silica, Milano, TBK Rangoli, TBK Venkat & TBK Samiyaz to demand or claim any dividend which, subject to the provisions of the 2013 Act, as applicable, shall be entirely at the discretion of the Board of Directors of respective companies, subject to such approval of the shareholders, as may be required.

42. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

42.1. All companies which are parties to this Scheme by their respective Board of Directors or their duly authorised representatives, may assent to any modifications / amendments to the Scheme or to any conditions or limitations that the NCLT and / or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors or their duly authorised representatives) and/or effect any other modification or amendment under Applicable Law jointly and mutually agreed in writing by the Board of Directors or their duly authorised representatives. All companies which are parties to this Scheme by their respective Board of Directors or their duly authorised 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 in any matter concerned or connected therewith.

42.2. In the event any of the conditions that may be imposed by the NCLT and/ or any other Appropriate Authority, while sanctioning the Scheme, which the Board of Directors or their duly authorised representatives may find unacceptable for any reason, then the parties to this Scheme are at liberty to withdraw from this Scheme.

43. WITHDRAWAL FROM THE SCHEME

Parties to the Scheme, acting through their respective Board of Directors or their duly authorised representatives, shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person or otherwise is unacceptable to any of them, in the following manner:

(a) In case any of the Part III Demerged Companies or Resulting Company 1 decides



to withdraw from this Scheme for the reasons as stated above, Part III of the Scheme shall stand modified accordingly with such consequential changes in other relevant places of the Scheme as may be necessary.

- (b) In case Part IV Demerged Company or Resulting Company 2 decides to withdraw from this Scheme for the reasons stated above, Part IV of the Scheme shall stand deleted from the Scheme with such consequential changes in other relevant places of the Scheme as may be necessary.
- (c) In case Amalgamating Company 2 decides to withdraw from this Scheme for the reasons stated above, Part V shall stand deleted & Part VI of the Scheme shall stand modified accordingly with such consequential changes in other relevant places of the Scheme as may be necessary.
- (d) In case Amalgamating Company 1 or Amalgamated Company decide to withdraw from this Scheme for the reasons stated above, Part VI of the Scheme shall stand deleted from the Scheme with such consequential changes in other relevant places of the Scheme as may be necessary.
- (e) It is hereby clarified that withdrawal of any part of the Scheme in terms of clause 43 shall not affect any other provisions of this Scheme.

44. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 44.1. The requisite consents, approvals or permissions of any governmental or regulatory authority, which by Applicable Law may be necessary for the implementation of this Scheme.
- 44.2. The Scheme being approved by the requisite majorities in number and value of the members and / or creditors, as applicable, of PJI, HRJ TBK, Silica, Milano, TBK Rangoli, TBK Venkat & TBK Samiyaz as may be directed by the Hon'ble NCLT or any other competent authority, as may be applicable, subject to any dispensation that may be granted by the NCLT.

44.3. The sanction of the Scheme by the NCLT under Sections 230 to 232 read with Sec 52 and other applicable provisions of the 2013 Act; and

44.4. Certified copies of the orders of the NCLT being filed with the Registrar of Companies, by PJI, HRJ TBK, Silica, Milano, TBK Rangoli, TBK Venkat & TBK Samiyaz.

45. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and/or approvals referred to in the preceding Clause 44 above not being obtained and / or the Scheme not being sanctioned by the



Hon'ble NCLT or any other Governmental authorities and / or the order not being passed or sanctions not being granted by NCLT as aforesaid before March 31, 2021 or within such further period or periods as may be agreed upon from time to time by the Board of Directors of the companies which are parties to the Scheme, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights, obligations and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

46. OPERATIONAL SEQUENCE OF THE SCHEME

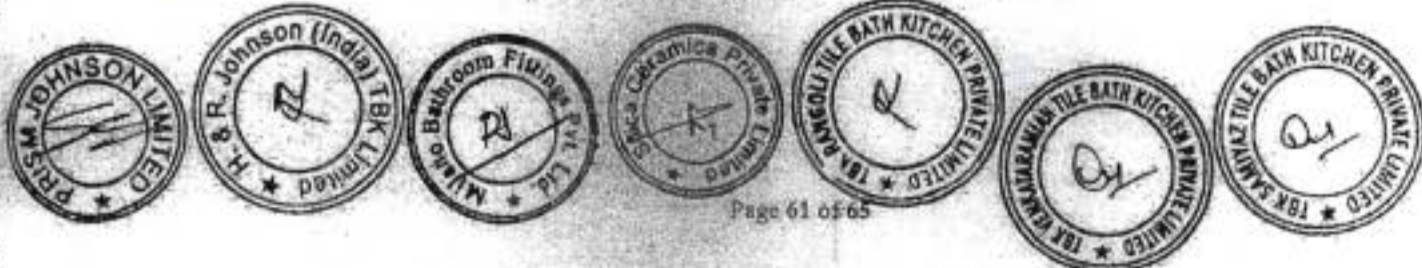
46.1. Upon the sanction of the Scheme and it becoming effective, subject to clause 43 above, the different transactions envisaged under the Scheme shall be operative in the following sequence:

- (a) Demerger 1 of Part III Demerged Undertakings from Part III Demerged Companies respectively into Resulting Company 1, in terms of Part III of this Scheme,
- (b) Demerger 2 of the Part IV Demerged Undertaking from Part IV Demerged Company into Resulting Company 2, in terms of Part IV of this Scheme,
- (c) Reduction of Share Capital of Amalgamating Company 2, in terms of Part V of this Scheme,
- (d) Amalgamation of the Amalgamating Companies into Amalgamated Company, in terms of Part VI of this Scheme,

with effect from Appointed Date being 1st day of financial year immediately preceding the financial year in which Scheme shall be filed with NCLT.

47. WHEN THE SCHEME COMES INTO OPERATION AND ITS PARTS GIVEN EFFECT TO

47.1. Resulting Company 1 & Resulting Company 2 / Amalgamated Company shall carry on and shall be authorized to carry on, with effect from the Appointed Date, the business pertaining to Part III Demerged Undertakings, Part IV Demerged Undertaking and business of Amalgamating Companies respectively. For the purposes of giving effect to the sanction of the Scheme by NCLT, Resulting Company 1 and Resulting Company 2 / Amalgamated Company shall at any time pursuant to such order be entitled to get the recordal of change in the legal right(s) upon the Demerger 1 of Part III Demerged Undertakings & Demerger 2 of Part IV Demerged Undertaking and Amalgamation of Amalgamating Companies, in accordance with the provisions of the sections 230 to 232 read with Section 52 and/or the other applicable provision of the 2013 Act, as case may be. Resulting Company 1 and Resulting Company 2 / Amalgamated Company are and shall always be deemed to have been authorized to execute any pleadings, applications, and forms as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.



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47.2. Resulting Company 1 and Resulting Company 2 / Amalgamated Company shall be entitled to, amongst others, file/ or revise its income tax returns/ computation of income after giving effect of Demerger 1, Demerger 2, Capital Reduction and Amalgamation, as applicable, TDS/TCS returns, service tax, goods and service tax, excise duty, sales tax, value added tax, entry tax, cess, professional tax or any other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum prescribed under section 43B of the Income Tax Act on payment basis by Resulting Company 1 and Resulting Company 2 / Amalgamated Company previously disallowed in the hands of Part III Demerged Companies (pertaining to Part III Demerged Undertakings), Part IV Demerged Company (pertaining to Part IV Demerged Undertaking), Amalgamating Companies respectively under the Income Tax Act, credit of tax under section 115JB read with section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld, if any, pertaining to Part III Demerged Companies (pertaining to Part III Demerged Undertakings), Part IV Demerged Company (pertaining to Part IV Demerged Undertaking), Amalgamating Companies respectively as may be required consequent to implementation of this Scheme 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. Resulting Company 1 and Resulting Company 2 / Amalgamated Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions entered into by them by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, Part III Demerged Undertakings, Part IV Demerged Undertaking and Amalgamating Companies relating to the period on or after Appointed Date, shall be deemed to be the taxes or duties paid by Resulting Company 1 and Resulting Company 2 / Amalgamated Company respectively and Resulting Company 1 and Resulting Company 2 / Amalgamated Company shall be entitled to claim credit or refund for such taxes or duties.

47.3. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with Part III Demerged Companies (pertaining to Part III Demerged Undertakings) & Part IV Demerged Company (pertaining to Part IV Demerged Undertaking), Amalgamating Companies, including any taxes paid and taxes deducted at source and deposited by Part III Demerged Companies (pertaining to Part III Demerged Undertakings), & Part IV Demerged Company (pertaining to Part IV Demerged Undertaking), and Amalgamating Companies on inter se transactions during the period between Appointed Date and the Effective Date, shall be treated as tax paid by Resulting Company 1 and Resulting Company 2 / Amalgamated Company respectively and shall be available to Resulting Company 1 and Resulting Company 2 / Amalgamated 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 Part III Demerged Companies (pertaining to Part III Demerged Undertakings) & Part IV Demerged Company (pertaining to Part IV Demerged Undertaking), and Amalgamating Companies on transactions other than inter se transactions during the period between Appointed Date and the Effective Date, as applicable, shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Resulting Company 1 and Resulting Company 2 / Amalgamated Company respectively. Any TDS deducted by, or on behalf of, Part III Demerged Companies (pertaining to Part III Demerged Undertakings) & Part IV Demerged Company (pertaining to Part IV Demerged Undertaking), and Amalgamating Companies on inter se transactions will be treated as tax deposited by Resulting Company



1 and Resulting Company 2 / Amalgamated Company respectively.

- 47.4. Transfer and vesting of Part III Demerged Undertakings in terms of Part III of the Scheme, Part IV Demerged Undertaking in terms of Part IV of the Scheme and Amalgamating Companies in terms of Part VI of the Scheme is not a sale in the course of business.
- 47.5. Without prejudice to Part III of the Scheme, for operational and administrative convenience and for the purpose of enabling a smoother transition of the Part III Demerged Undertakings to Resultant Company 1, and subsequently that of Part IV Demerged Undertaking to the Resultant Company 2, it is hereby clarified that all the applications, documents, forms and returns, for the purpose of effecting the Demerger 1 of the Part III Demerged Undertakings can be directly made and effected in favour of the Resultant Company 2.

48. SEVERABILITY

- 48.1. If any provision or part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the companies which are parties to this Scheme, affect the validity or implementation of the other provisions and parts of this Scheme.
- 48.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the companies which are parties to this Scheme and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall have overriding effect and shall prevail.

49. COSTS, CHARGES, EXPENSES AND STAMP DUTY

- 49.1. In the event of the Scheme not being sanctioned by the NCLT, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 49.2. Subject to Clause 49.1 above, all costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by Amalgamated Company. Stamp duty and registration charges as may be applicable on the Scheme/ Order of the NCLT shall be borne by the Amalgamated Company.



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Schedule 1

Statement presenting assets and liabilities forming part of Part IV Demerged Undertaking

Particulars
ASSETS
Non-current assets
Property, plant and equipment
Other Intangible assets
Financial assets
Deferred tax assets (Net)
Other non-current assets
Current Assets
Inventories
Financial Assets
Current tax assets (Net)
Other current assets
Liabilities
Non-current liabilities
Financial Liabilities
Provisions
Deferred tax liabilities (Net)
Other non-current liabilities
Current liabilities
Financial Liabilities
Other current liabilities
Provisions
Current Tax Liabilities (Net)



Statement presenting assets and liabilities forming part of Part III Demerged Undertakings

Particulars
ASSETS
Non-current assets
Property, plant and equipment
Other Intangible assets
Financial assets
Deferred tax assets (Net)
Other non-current assets
Current Assets
Inventories
Financial Assets
Current tax assets (Net)
Other current assets
Liabilities
Non-current liabilities
Financial Liabilities
Provisions
Deferred tax liabilities (Net)
Other non-current liabilities
Current liabilities
Financial Liabilities
Other current liabilities
Provisions
Current Tax Liabilities (Net)

