

**SCHEME OF ARRANGEMENT**

**ANNEXURE 2**

**AMONG**

**APM INDUSTRIES LIMITED  
(DEMERGED COMPANY)**

**AND**

**APM FINVEST LIMITED  
(RESULTING COMPANY)**

**AND**

**CERTIFIED TO BE TRUE COPY**

**AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)**

**PARTS OF THE SCHEME:**

The Scheme of Arrangement is divided into following parts:

For APM INDUSTRIES LIMITED  
*Jyoti Upadhyay*  
**JYOTI UPADHYAY**  
Company Secretary

**1. PART A:**

This part of the scheme deals with general provisions used in this scheme including definitions and capital structure of Demerged Company and Resulting Company along with objects and rationale of the scheme;

**2. PART B:**

This part of the scheme deals with the transfer and vesting of Demerged Undertaking pursuant to the scheme of arrangement.

**3. PART C:**

This part of the scheme deals with issue of shares by the Resulting Company to the shareholders of the Demerged Company. This part of the Scheme also deals with Accounting Treatment for the demerger in the books of Demerged Company and Resulting Company.

**4. PART D:**

This part of the scheme deals with the application to Stock Exchange / SEBI, listing of shares issued by the Resulting Company and other provisions.

**5. PART E:**

This part of the scheme deals with general terms and conditions as applicable to the scheme of arrangement.



## SCHEME OF ARRANGEMENT

AMONG

**APM INDUSTRIES LIMITED  
(DEMERGED COMPANY)**

AND

**APM FINVEST LIMITED  
(RESULTING COMPANY)**

AND

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

### PREAMBLE

#### A. An overview of Scheme of Arrangement

This Scheme of Arrangement (the "Scheme") is presented under the provisions of Section 230 -232 of the Companies Act, 2013 ("Act") and other relevant provisions of the Companies Act, 2013 as may be applicable and applicable rules of Companies (Compromises, Arrangements Amalgamations) Rules, 2016 ("Rules") for demerger of Finance & Investment Undertaking (Demerged Undertaking) of APM Industries Limited (Demerged Company) and subsequent amalgamation with its wholly owned subsidiary, APM Finvest Limited (Resulting Company).

This Scheme of Arrangement also provides for various others matter consequential or otherwise integrally connected herewith.

#### B. Background and Description of Companies

1. **APM Industries Limited** or 'AIL' or 'Demerged Company' bearing CIN L21015RJ1973PLC015819 was originally incorporated as "Ajay Paper Mills Private Limited" on 21<sup>st</sup> September, 1973 in accordance with the provisions of the Companies Act, 1956. The Company, thereafter, got converted into a public limited company on 15<sup>th</sup> December, 1976 and consequently the name was changed to "Ajay Paper Mills Limited". The name of the Company was again changed to its present name "APM Industries Limited" on 19<sup>th</sup> April, 1990. The registered office of the Demerged Company is situated at SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan - 301 019.

The Company is a widely held listed company having its equity shares listed at 'BSE Limited' (BSE). The Company is currently engaged in two distinct and diverse business activities through the following undertakings, namely –

- a) Yarn manufacturing undertaking - manufacturing of synthetic blended (polyester, viscose & acrylic) yarn. Yarn manufacturing business undertaking here in after may also be referred as the Core Business of the Company.



b) Finance & Investment Undertaking – Finance & Investment business that includes investment in shares and other securities of companies and granting of loans and advances.

2. APM Finvest Limited or 'AFL' or 'Resulting Company' bearing CIN U65990RJ2016PLC054921 was incorporated as such on 13<sup>th</sup> May, 2016 in accordance with the provisions of the Companies Act, 2013. The registered office of the Resulting Company is situated at SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan - 301 019. The Company is wholly owned subsidiary of APM Industries Limited (the "Demerged Company").

The Company is registered with Reserve Bank of India (RBI) as non-deposit accepting non-banking finance company.

C. Rationale for the Scheme of Arrangement

The arrangement is aimed at demerger of "Finance & Investment undertaking" (defined hereinafter) of AIL into AFL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for AIL and AFL:

- I. Each of the business activities being carried out by the AIL is distinct and diverse in its business characteristics. Both the businesses are entirely unrelated and at different stages of maturity with different risk and return profiles and capital and operational requirements. The management of the Demerged Company believes that there may be a segment of investors who may wish to have a choice of investing in either of the categories of businesses being undertaken by the company.
- II. Pursuant to the proposed demerger, the Demerged Undertaking (defined hereinafter) and the Remaining Business (defined hereinafter) would have their own management teams which can chart out independent strategies for each business segment. Further, the proposed demerger would also open avenues for resizing and inorganic growth opportunities for the businesses, provide multiple listing avenues, along with creating opportunity for shareholders to participate in business of choice and reposition the businesses in their respective market segments, thereby creating opportunities for value creation for the respective stakeholders.
- III. The demerger will permit increased focus by AIL and AFL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of AFL. The Scheme would be in the best interest of all stakeholders in AIL.



The transfer and vesting of the Finance & Investment Undertaking into AFL would be in the best interests of the shareholders, creditors and employees of AIL and AFL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Finance & Investment Undertaking and the remaining business of the AIL. Pursuant to this Scheme all the shareholders of the AIL will get shares in AFL and there would be no change in the economic interest for any of the shareholders of AIL pre and post implementation of the Scheme.

In view of the above rationale, the Board recommended a Scheme of Arrangement whereby the Finance & Investment Undertaking of AIL will be demerged into AFL as a going concern with effect from the Appointed Date (defined hereinafter). Accordingly, the Board of Directors of AIL and AFL have decided to make requisite applications and/or petitions before the Tribunal (hereinafter defined) as the case may be, as applicable under Sections 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, and other applicable provisions for the sanction of this Scheme.

- D. This Scheme has been drawn up to comply with the conditions relating to 'Demerger' as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect other parts of the Scheme.

## PART A

### 1. DEFINITIONS:

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 1.1. 'Act': means the Companies Act, 2013, and will include any statutory modifications, re-enactments or amendments thereof.
- 1.2. "Applicable Law(s)" means (a) all the applicable statutes, notification, enactments, act of legislature, listing regulations, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or other instructions having force of law enacted or issued by any Appropriate Authority including any statutory modifications or re-enactment thereof for the time being in force (b) administrative interpretations, writs, injunctions, directions, directives, judgments, arbitral awards, decree, orders, or governmental approvals of, or agreement with, any relevant authority, as may be in force from time to time;
- 1.3. 'Appointed Date': means 1st April, 2018 or such other date as may be decided by the Board of the Demerged Company and the Resulting Company with the consent or as per the direction by the Tribunal.



- 1.4. 'Board' or 'Board of Directors' shall mean Board of Directors of AIL and AFL, as the case may be, and unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of Directors or such committee of directors, for the purpose of Scheme.
- 1.5. 'Book Values' means the value(s) of the assets and liabilities of the Demerged Undertaking, as appearing in the books of accounts of the Demerged Company at the close of business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation of any assets.
- 1.6. 'BSE' shall mean BSE Limited.
- 1.7. 'Core Business' has the meaning assigned to it in Clause B of Preamble of this scheme.
- 1.8. 'Demerged Company' shall mean 'APM Industries Limited' or 'AIL'.
- 1.9. 'Demerged Undertaking' or 'Finance & Investment Undertaking' means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Demerged Company pertaining to its Finance & Investment Business Undertaking as detailed below :
- (i) The entire business relating to finance & investment division of Demerged Company and other ancillary businesses connected therewith, on a going concern basis;
  - (ii) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all loans and advances, capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical, appliances, accessories, investments, stocks, intellectual properties, technical knowhow, patents, copy rights, licenses, approvals pertaining to or relatable to the Demerged Undertaking;
  - (iii) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets relating to or appertaining to the said business, as per the records of Demerged Company, and shall also include any obligations under any license, permits, appertaining to the said business;
  - (iv) For the purpose of this Scheme, it is clarified that liabilities pertaining to the "Finance & Investment Division" include:
    - a) The liabilities which arise out of the activities or operations of the such business;
    - b) Specific Loans and / or borrowing raised, incurred and / or utilized solely for the activities or operations of the such business;



- c) Liabilities other than those referred to in Sub Clause (a) and (b) above and not directly relatable to the such business being the amount of any general or multipurpose borrowings of Demerged Company shall be allocated to finance & investment business, in the same proportion which the value of the assets transferred under this clause bears to the total value of assets of Demerged Company, immediately before giving effect to the demerger of finance & investment business.

Any question that may arise, as to whether the specified asset or liability pertains or does not pertain to the finance & investment business or whether it arises out of the activities or operations of the finance & investment business or not shall be decided by the Board of Directors of Demerged Company or any committee thereof.

- (v) All permanent employees of Demerged Company substantially engaged in the Demerged Undertaking and those permanent employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or in relation to the Demerged Undertaking;
- (vi) All rights and licenses, membership all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of central/ state governments, quality certifications and approvals, product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies, if any in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company in relation to the Demerged Undertaking, funds belonging to or proposed to be utilized for the finance & Investment Business, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Demerged Company in relation to the Demerged Undertaking or any powers of attorney issued in favour of the Demerged Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Demerged Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;



- (vii) All books, records, files, papers, computer programs along with their licenses, manuals and back - up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking;
- (viii) All advances, deposits and balances with Government, Semi-Government, Local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking;
- (ix) All investments in securities whether current or non current (other than investments relatable to the remaining business) in the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking; and
- (x) All legal or other proceedings of whatsoever nature that pertain to the Demerged Undertaking.

**Explanation:**

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Finance & Investment Undertaking of the Demerged Company the same shall be decided by the Board of Directors of the Demerged Company.

- 1.10. 'Effective Date': means the date on which the last of the conditions mentioned in Clause 3 of Part E of this Scheme is fulfilled. References in this Scheme to the date of "Upon the Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date.
- 1.11. 'Listing Regulations': means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any enactment thereof.
- 1.12. 'National Company Law Tribunal' or 'NCLT' or 'Tribunal': means the Hon'ble National Company Law Tribunal at New Delhi, or any other appropriate forum or authority empowered to approve the Scheme as per the law for the time being in force.
- 1.13. 'Record Date(s)' means the date(s) to be fixed by the Board of Directors of the Demerged Company, after the Effective Date, with reference to which the eligibility of the equity shareholder of the Demerged Company, for the purposes of issue and allotment of shares of the Resulting Company, in terms of the Scheme, shall be determined.
- 1.14. 'Registrar of Companies' or 'RoC': means the Registrar of Companies of Jaipur.



- 1.15. **Remaining Business**’ means all the business, assets and liabilities and activities of the Demerged Company other than the business, assets and liabilities of Demerged Undertaking which upon this scheme becoming effective be vested with the respective companies as provided in this scheme.
- 1.16. **‘Resulting Company’** or **‘AFL’** shall mean **APM Finvest Limited**.
- 1.17. **‘Scheme’** means this Scheme of Arrangement, as set out herein and approved by the Board of Directors of Demerged Company and Resulting Company subject to such modifications as the NCLT may impose or the Demerged Company or Resulting Company may prefer and the NCLT may approve. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.
- 1.18. **‘SEBI Circular’** means Circular No. CFD/DIL3/CIR/2017/21 dated March 10th, 2017 or any amendments thereof, issued by SEBI in regards to scheme of arrangement by Listed Companies.
- 1.19. **‘Stock Exchange’** shall mean BSE Limited where equity shares of APM Industries Limited are currently listed.

2. **DATE OF EFFECT AND OPERATIVE DATE:**

The Scheme setout herein in its present form or with modification (s), if any, made as per Clause 2 of Part E below, the scheme shall be effective from the Appointed Date but shall come into operation from the Effective Date.

3. **CAPITAL STRUCTURE :**

The Capital Structure of APM Industries Limited and APM Finvest Limited as on the 31st December, 2017 are as follows:

3.1. **APM INDUSTRIES LIMITED (DEMERGED COMPANY)**

Particulars	Amount (Rs.)
<b>Authorized Capital:</b>	
35,000,000 Equity Shares of Rs.2/- each	70,000,000.00
3,00,000 Preference Shares of Rs. 100/- each	30,000,000.00
<b>Total</b>	<b><u>100,000,000.00</u></b>
<b>Issued Capital:</b>	
22,217,080 Equity Shares of Rs.2/- each	44,434,160.00
<b>Subscribed and Paid up Capital:</b>	
21,611,360 Equity Shares of Rs.2/- each	43,222,720.00
	<b><u>43,222,720.00</u></b>

There is no change in the Capital Structure of Demerged Company after 31st December, 2017.





## APM FINVEST LIMITED (RESULTING COMPANY)

Particulars	Amount (Rs.)
<b>Authorized Capital:</b>	
100,00,000 Equity Shares of Rs.2/- each	20,000,000.00
<b>Total</b>	<b><u>20,000,000.00</u></b>
<b>Issued, Subscribed and Paid up Capital:</b>	
100,00,000 Equity Shares of Rs.2/- each	20,000,000.00
	<b><u>20,000,000.00</u></b>

There is no change in the Capital Structure of Resulting Company after 31st December, 2017.

### PART B

#### TRANSFER AND VESTING OF DEMERGED UNDERTAKING

##### 1. TRANSFER OF DEMERGED UNDERTAKINGS

Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Section 230 and Section 232 of the Companies Act, 2013 and other applicable provisions of law for the time being in force, and pursuant to the orders of the NCLT or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, the Demerged Undertaking shall stand transferred and vested in the Resulting Company, as a going concern, together with all its properties, assets, rights, benefits and interest therein.

##### 2. TRANSFER OF ASSETS

- (i) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all assets relating to the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession pursuant to this Scheme, shall stand transferred and vested as such by the Demerged Company and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans and advances and other current assets, if any, recoverable in cash or in kind or for value to be received, cash & bank balances and deposits, shall without any further act, instrument or deed, become the property of the Resulting Company.
- (iii) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date pertaining to the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company upon coming into effect of the Scheme.



### 3. TRANSFER OF LIABILITIES AND CONNECTED SECURITIES/ CHARGES

- (i) Upon this Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities and obligations, whether recorded or not, of the Demerged Company relating to the Demerged Undertaking, as on the close of business on the day immediately preceding the Appointed Date (hereinafter referred to as the Transferred Liabilities) shall become the debts, liabilities, duties and obligations of the Resulting Company, upon the Scheme becoming effective, who shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company. All the debts, liabilities, duties and obligations, secured or unsecured, whether recorded or not, relating to the remaining business shall continue to remain in the Demerged Company.
- (ii) Upon this Scheme becoming effective and with effect from the Appointed Date, where any of the liabilities and obligations of the Demerged Undertaking as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been taken for and on account of the Resulting Company and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date shall also without any further act or deed be and stand transferred to the Resulting Company and shall become liabilities of the Resulting Company which shall meet, discharge and satisfy the same. Such liabilities shall also form part of the Transferred Liabilities as defined hereinabove.
- (iii) Upon this Scheme becoming effective and with effect from the Appointed Date, in so far as the existing security in respect of the Transferred Liabilities of the Demerged Undertaking is concerned, such security shall continue to extend to and operate over the assets comprised in the Demerged Undertaking, as the case may be, which have been and charged in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided, however, that if any of the assets comprised in the Demerged Undertaking which have not been charged or secured in respect of the Transferred Liabilities, such assets shall be transferred to the Resulting Company as unencumbered assets and in the absence of any formal amendment, which may be required by a lender or third party, shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the Transferred Liabilities.
- (iv) Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the security and charge over such assets relating to any loans or borrowings which are not transferred pursuant to this Scheme (and which shall continue with the Remaining Business), shall without any further act or deed be realized from such encumbrance and shall no longer be available as security in relation to such liabilities.



- (v) Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Demerged Company and the Resulting Company, if required, may execute any instruments or documents or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the ROC to give formal effect to the above provisions.
- (vi) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities and the Demerged Company shall not have any obligations in respect of the Transferred Liabilities, and the Resulting Company shall indemnify the Demerged Company in this behalf.
- (vii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (viii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme, if approved by Hon'ble NCLT, 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.

**4. TRANSFER OF CONTRACTS, AGREEMENTS, MOU, PERMITS, QUOTAS AND LICENCE OF DEMERGED UNDERTAKING**

- (i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, tenancy or leasehold or hire purchase agreements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company are a party or to the benefits of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favor of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto;
- (ii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature, leave and license agreements, trade mark licenses including application for registration of trade mark, storage & warehousing agreements, commission agreements, Lease agreements, Hire Purchase Agreements, franchisee agreements in relation to the Demerged Undertaking to which the Demerged Company are a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date shall be and remain in full



force and effect in favour of or against Resulting Company as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto;

- (iii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all statutory licenses, no-objection certificates, permissions, approvals, consents, quotas, rights, entitlements, trade mark licenses including application for registration of trade mark, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the Demerged Undertaking shall stand transferred to or vested in the Resulting Company, without any further act or deed done by the Demerged Company and the Resulting Company and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Resulting Company upon the vesting and transfer of the Demerged Undertaking pursuant to this Scheme.
- (iv) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorizations or registrations, trade mark licenses including application for registration of trade mark as are jointly held for Demerged Undertaking and the remaining businesses, including the statutory licenses, permissions or approvals, registrations under Goods and Service Tax (GST, Shops and Establishments Act or consents required to carry on the operations in the remaining businesses, shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, pursuant to the filing of this Scheme as sanctioned by the Hon'ble NCLT, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in the Resulting Company without hindrance from the Appointed Date.
- (v) The benefit of all statutory and regulatory permissions, licenses and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme.
- (vi) All contractors hitherto engaged by the Demerged Company in relation to the Demerged Undertaking shall be deemed to be engaged by the Resulting Company for the same purpose on the same terms and conditions.

## 5. EMPLOYEES

- (i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the services of all Employees of the Demerged Company employed in the Demerged Undertaking shall stand transferred to the Resulting Company on the same terms and conditions at which these employees are engaged by the Demerged Company without any interruption of service as a result of the transfer. The Resulting Company also undertakes to accept and abide by any change in terms and conditions that may be agreed/affected by the Demerged Company with all such employees between the Appointed Date and Effective Date.



- (ii) The Resulting Company undertakes to continue to abide by any agreements / settlements entered into by the Demerged Company in respect of Demerged Undertaking with any union / representatives of the employees of the Demerged Company. The Resulting Company agrees that the services of all such employees with the Demerged Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits payable by the Resulting Company to such employees subsequently. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past services with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- (iii) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, employees state insurance schemes, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the Employees related to the Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are preferable to the Employees related to the Demerged Undertaking being transferred to the Resulting Company in terms of Sub Clause (i) of Clause 5 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme. The Resulting Company in its sole discretion, will establish necessary Funds to give effect to the above transfer or deposit the same in the schemes governed under the applicable laws and rules made there under, as amended from time to time, namely Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and/or Employees State Insurance Act, 1948 and/or Payment of Gratuity Act, 1972. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the Employees related to Demerged Undertaking shall be transferred to the funds created by the Resulting Company.

## 6. LEGAL PROCEEDING

If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatsoever nature by or against the Demerged Company is pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Resulting Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made. The Resulting Company shall get such legal or other proceedings relating to or in connection with the Demerged Undertaking, initiated by or against the Demerged Company, transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company shall also deal with all legal or other proceedings, which may be initiated by or against the Demerged Undertaking or the Resulting Company after the Effective Date but relating to the Demerged Undertaking, in respect of the period up to the Effective Date, in its own name and account and to the extent possible, to the exclusion of the Demerged Company. The Resulting Company shall pay all amounts including interest, penalties, damages, etc., which the Demerged Company may be



called upon to be paid or secured in respect of any liability or obligation relating to the Demerged Undertaking for the period commencing on the Appointed Date and ending on the Effective Date. Any reasonable costs incurred by the Demerged Company in respect of the proceedings started by or against it relating to the Demerged Undertaking and for the period commencing on the Appointed Date and ending on the Effective Date shall be reimbursed by the Resulting Company, upon submission of necessary evidence of having incurred such costs by the Demerged Company to the Resulting Company;

#### 7. INCOME TAX AND OTHER PROVISIONS

- (i) AFL will be the successor of AIL vis-à-vis the Finance & Investment Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the Finance & Investment Undertaking and the obligations, if any, for payment of taxes on any assets of the Finance & Investment Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by AFL, or as the case may be deemed to be the obligation of AFL.
- (ii) With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/ payables by AIL relating to the Finance & Investment Undertaking including all or any refunds/ credits/ claims/ tax losses/ unabsorbed depreciation relating thereto shall be treated as the assets/ liability or refund/ credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of AFL.
- (iii) AIL and AFL are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/ returns and to claim refund, advance tax, credits, excise credits, set off etc. on the basis of the accounts of the Finance & Investment Undertaking as vested with AFL upon coming into effect of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.
- (iv) Any refund, under the Income tax Act, 1961, Goods & Service Tax Act, Service Tax, Central Sales Tax, Customs, Excise, applicable State Value Added Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Finance & Investment Undertaking of AIL consequent to the assessment made on AIL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by AFL upon this Scheme becoming effective.
- (v) The tax payments (including, without limitation income tax, Goods & Service Tax, Service Tax, Excise Duty, Central Sales Tax, applicable State Value Added Tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the AIL with respect to the Finance & Investment Undertaking after the Appointed Date, shall be deemed to be paid by the AFL and shall, in all proceedings, be dealt with accordingly.



- (vi) Further, any tax deducted at source by AIL / AFL or any other party with respect to Finance & Investment Undertaking on transactions with the AIL / AFL, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the AFL and shall, in all proceedings, be dealt with accordingly.
- (vii) Obligation for deduction of tax at source on any payment made by or to be made by AIL shall be made or deemed to have been made and duly complied with by AFL.
- (viii) Upon the Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, Goods and Service Tax, Service Tax, Central Sales Tax, Excise, Cenvat, applicable state Value added tax, Customs, etc. relating to the Finance & Investment Undertaking to which AIL is entitled to shall be available to and vest in AFL, without any further act or deed.
- (ix) The Board of Directors of AIL shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Finance & Investment Undertaking and whether the same would be transferred to AFL.

#### 8. OTHER PROVISIONS

- (i) The Demerged Company and the Resulting Company may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, for the ease of the Demerged Company, the Resulting Company and the counter party concerned in relation to the Remaining Business and the Demerged Undertaking, without any obligation to do so and without modification of any commercial terms or provisions in relation thereto.
- (ii) Upon the Scheme becoming effective, the Resulting Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with the Resulting Company and relating to the Demerged Undertaking. The Demerged Company and the Resulting Company are jointly and severally authorized to file such declarations and other writings to give effect to this Scheme and to remove any difficulties in implementing the terms hereof.

#### 9. CONDUCT OF BUSINESS

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

- (i) The Demerged Company shall be deemed to have been carrying on all business and activities relating to the Demerged Undertaking for and on behalf of and in trust for the Resulting Company: and
- (ii) All income, expenditures including management costs, profits accruing to the Demerged Company and all taxes thereof or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the income, expenditures, profits, taxes or losses, as the case may be, of the Resulting Company.



- 9.2. (i) With effect from the Effective Date, the Resulting Company shall be duly authorized to carry on the business of the Demerged Undertaking, previously carried on by the Demerged Company.
- (ii) The Resulting Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.
- 9.3. The Demerged Company and the Resulting Company are expressly permitted to revise their Income Tax, Goods & Service Tax Returns, Service Tax Returns, applicable value added tax (VAT) returns, sales tax, customs and excise returns and all other statutory returns, including without limitation TDS certificates and the right to claim refund, advance tax credits etc., upon the Scheme becoming effective. It is specifically declared that the taxes paid by the Demerged Company relating to the period on or after the Appointed Date whether by way of deduction at source or advance tax, which pertains to the Demerged Undertaking, shall be deemed to be the taxes paid by the Resulting Company and the Resulting Company shall be entitled to claim credit for such taxes deducted/paid against its tax liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes are in the name of the Demerged Company.

#### 10. SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking and continuance of the proceedings by or against the Resulting Company shall not in any manner affect any transaction or proceedings already completed by the Demerged Company (in respect of the Demerged Undertaking) on or before the Appointed Date to the end and intent that the Resulting Company accepts all such acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

### PART - C

#### ISSUE OF SHARES FOR DEMERGER AND ACCOUNTING TREATMENT

##### 1. ISSUE OF SHARES

- 1.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Finance & Investment Undertaking of AIL in AFL, AFL shall, without any further act or deed, issue and allot to the equity shareholders of AIL, whose names appear in the Register of Members of AIL, on a date (hereinafter referred to as "Record Date") to be fixed in that behalf by the Board of Directors of AIL in consultation with AFL for the purpose of reckoning the names of the equity shareholders of AIL, in consideration for the transfer of the Finance & Investment Undertaking in the following proportion namely,:

*1 (One) Equity Shares of face value of Rs. 2 (Rupees Two) each at par in Resulting Company for every 1 (One) Equity Shares of face value of Rs.2 (Rupees Two) each held by them in Demerged Company.*





- 1.2 In issue and allotment of such shares as aforesaid, the fractional entitlements of shares of any shareholders of AIL shall not be taken into account, but such shares representing fractional entitlements shall be allotted to Company Secretary of AFL upon trust, who will sell them on the date of listing of AFL or within such period of listing of AFL as may be decided by the Board of Directors of AFL, and distribute their sale proceeds (less expenses, if any) to the shareholders of AIL, who are entitled to such fractional shares.
- 1.3 In case of shareholders of the Demerged Company, who holds shares in the demerged company in dematerialized form, New Shares will be credited to the existing depository accounts of the shareholders of the Demerged Company as per records maintained by National Securities Depository Limited and/or Central Depositors Services (India) Limited on the record date and made available by the Demerged Company to the Resulting Company. All those equity shareholders of AIL who hold equity shares of AIL in physical form shall also have the option to receive the new equity shares, as the case may be, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to AFL before the Record Date. In the event that AFL has received notice from any equity shareholder of AIL that equity shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the shares of AFL, then AFL shall issue new equity shares of AFL in accordance with clauses 1.1 above, as the case may be, in physical form to such equity shareholder.
- 1.4 The new equity shares of AFL to be issued to the shareholders of AIL in terms of this scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of AFL and shall rank pari-passu, in all respects with the then existing equity shares in AFL in all respects.
- 1.5 Where the new equity shares of AFL are to be allotted, pursuant to this scheme, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of AIL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of AFL.
- 1.6 The new equity shares to be issued by AFL, pursuant to this scheme, in respect of any equity shares of AIL, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by AFL.
- 1.7 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Appointed Date or the Effective Date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Resulting Company of such shares.



**1.8** The issue and allotment of shares to shareholders of Resulting Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 62 of the Companies Act, 2013.

## **2. AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY AND THE DEMERGED COMPANY**

**2.1** Upon the scheme becoming effective, the Authorized share capital of the Demerged Company to the extent of Rs. 25,00,000 (Rupees Two Crore and Fifty lacs) divided into 12,50,000 (One Crore and Twenty Five lacs) equity shares of face value of Rs. 2/- (Rupees Two) will get transferred to the Resulting Company and the Authorized Share Capital of the Resulting Company shall automatically stand increased by said amount.

**2.2** Accordingly, the words and figures in Clause V of the Memorandum of Association of the Demerged Company shall stand modified and be substituted to read as follows:

*The Authorized Share Capital of the Company shall be Rs. 7,50,00,000 (Rupees Seven Crore and Fifty Lacs only) divided into 2,25,00,000 (Two Crore and Twenty Five Lacs) equity shares of Rs. 2 each (Rupees Two Only) and 3,00,000 (Three Lacs only) Preference Shares of Rs. 100 each (Rupee One Hundred) with power to increase or decrease the capital.*

**2.3** The words and figures in Clause V of the Memorandum of Association of the Resulting Company shall stand modified and be substituted to read as follows

*The Authorized Share Capital of the Company shall be Rs. 4,50,00,000 (Rupees Four Crore and Fifty Lacs only) divided into 2,25,00,000 (Two Crore and Twenty Five Lacs) equity shares of Rs. 2 each (Rupees Two Only), with power to increase or decrease the capital.*

**2.4** It is clarified that for the purpose of this clause, the consent of the shareholders of Demerged Company and Resulting Company to this scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolutions under any provisions of the Act, would be required to be separately passed.

## **3. ACCOUNTING TREATMENT**

### **3.1 Treatment in the books of the Demerged Company**

**3.1.1** With effect from the appointed date and upon the scheme becoming effective, the book value of assets and liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company and being transferred to the Resulting Company shall be reduced from the corresponding balances of the assets and liabilities of the Demerged Company.

**3.1.2** The equity share capital of Resulting Company held by the Demerged Company either itself or through its nominee, as on the effective Date and on occurrence of the appointed date shall stand cancelled.

**3.1.3** The difference between the values of assets and value of liabilities transferred pursuant to scheme shall be appropriated and adjusted in the Capital Reserves of the Demerged Company and the balance against other reserves as decided by the Board of Directors of AIL.

26



**3.1.4** Upon the Scheme being effective, the existing shareholding of AIL in AFL shall stand cancelled. Upon cancellation, AIL shall credit to its investment in AFL, the value of investment held by AIL in AFL, which stands cancelled and the same shall be debited to the Profit & Loss Account of AIL.

**3.1.5** The reduction in Assets, Liabilities and Reserves of Demerged Company, including the Share Premium Account, if any, as may be required herein above shall be affected as an integral part of the Scheme and the order of the Hon'ble NCLT sanctioning the scheme shall be deemed to be also the order under Sections 66 of the Companies Act, 2013 for the purpose of confirming the reduction of the Securities Premium Account and other Reserves.

### **3.2 Treatment in the books of the Resulting Company**

**3.2.1** With effect from the appointed date and upon the scheme becoming effective, the Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of account of the Demerged Company as on the Appointed Date. In determining the value of the assets referred to here in above, any change in value of assets consequent to their revaluation shall be ignored in terms of Section 2(19AA) of the Income Tax Act, 1961.

**3.2.2** AFL shall credit its share capital account with the aggregate face value of the new equity shares issued by it to the members of AIL pursuant to Clause 1.1 of this Part of the Scheme.

**3.2.3** In respect of cancellation of shares held by AIL, AFL shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by AIL in AFL with a corresponding credit to the Capital Reserves of AFL.

**3.2.4** The difference between the book value of assets and book value of liabilities so recorded in the books of account of the Resulting Company, as reduced by the aggregate sum of the paid up value of the equity share capital issued by the Resulting Company in terms of Clause 1.1 above and after giving effect to clause 4.2.2, shall be adjusted in the Capital Reserves of the AFL.

**3.2.5** To the extent that there are inter-corporate loans or balance between Demerged Undertaking and the Resulting Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and record of the Resulting Company for the increase or reduction of any assets or liabilities, as the case may be.

**3.2.6** The Resulting Company shall record in its books of accounts, all transactions relating to the Demerged Undertaking of Demerged Company, in respect of assets, liabilities, Income and Expenses, from the Appointed Date to the Effective Date.

**3.2.7** It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking would be duly reflected in the financial statements of the Resulting Company upon the Scheme coming into effect.



#### 4. REDUCTION OF SHARE CAPITAL OF AFL AND AIL

##### 4.1 REDUCTION OF SHARE CAPITAL OF AFL

- a) With the issue and allotment of the new equity shares by AFL to the equity shareholders of AIL in accordance with clauses 1.1 above, in the books of AFL, all the equity shares issued by AFL to AIL and held by AIL or its nominee shall stand cancelled, extinguished and annulled on and from the Effective Date.
- b) The cancellation, as aforesaid, which amounts to reduction of share capital of AFL, shall be effected as an integral part of this Scheme itself in accordance with the provisions of section 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.
- c) Notwithstanding the reduction as mentioned above, AFL shall not be required to add "and reduced" as suffix to its name and AFL shall continue in its existing name.

##### 4.2 REDUCTION OF SHARE CAPITAL OF AIL

- a) The reduction under Clause 3.1 in the general reserve or other reserves of AIL shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 66 of the Act and the order of the Tribunal, as the case may be, as applicable sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The approval granted by the shareholders to the Scheme shall be deemed to be the approval for the purpose of Section 66 and other relevant provisions of the Act. AIL and AFL shall not be obliged or required to call for a separate meeting of its shareholders/ creditors for obtaining their approval for sanctioning the reduction in capital reserves and / or securities premium account. The reduction does not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital under the provisions of Section 66 of the Act.
- b) Notwithstanding the reduction as mentioned above, AIL shall not be required to add "and reduced" as suffix to its name and AIL shall continue in its existing name.

#### 5. REMAINING BUSINESS TO CONTINUE WITH AIL

- 5.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by AIL subject to the provisions of the Scheme.
- 5.2 All legal or other proceedings by or against AIL under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation



or duties of AIL in respect of the Remaining Business) shall be continued and enforced by or against AIL. AFL shall in no event be responsible or liable in relation to any such legal or other proceedings by or against AIL.

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

- a) AIL shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- b) all profits and income accruing or arising to AIL, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of AIL; and
- c) all employees relatable to the Remaining Business shall continue to be employed by AIL and AFL shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

## **PART D**

### **1. LISTING REGULATIONS AND SEBI COMPLIANCES**

- 1.1 The Demerged Company being a listed company, this Scheme is subject to the Compliances by the 'Demerged Company' of all the requirements under the listing regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') through its circulars insofar as they relate to sanction and implementation of the Scheme.
- 1.2 The Demerged Company in compliance with the listing Regulations shall apply for the 'Observation Letter' to BSE Limited, where its shares are listed.
- 1.3 The Demerged Company shall also comply with the directives of SEBI contained in the Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular') issued by SEBI in terms of Regulation 37 of the listing regulations;

### **2 LISTING OF EQUITY SHARES OF RESULTING COMPANY**

- 2.1 Scheme of Demerger is in conformity with the requirements as laid down in Sub-Rule 19 (7) of Securities Contract (Regulation) Rules, 1957 and in terms of the said Sub-rule after allotment of new equity shares in Resulting Company, Resulting Company shall within 30 days from the date of receipt of certified copy of order of the National Company Law Tribunal (NCLT) of relevant jurisdiction sanctioning the Scheme, take necessary steps for listing of shares allotted, simultaneously on all the stock exchanges where the equity shares of Demerged Company are listed.
- 2.2 Resulting Company shall make application to Securities and Exchange Board of India (SEBI) in terms of Rule 19 (7) of Securities Contract (Regulation) Rules, 1957 for Listing of Equity Shares at all the Stock Exchanges where the Equity Shares of Demerged Company are listed on the Appointed Date without complying with the requirements of Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.



- 2.3 AFL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the aforesaid stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and /or admit such new equity shares also for the purpose of trading. The new equity shares allotted by AFL, pursuant to this scheme, shall remain frozen in the depositories system till the listing/trading permission is given by the BSE.

## PART -E

### 1 SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking and continuance of the proceedings by or against the Resulting Company shall not in any manner affect any transaction or proceedings already completed by the Demerged Company (in respect of the Demerged Undertaking) on or before the Appointed Date to the end and intent that the Resulting Company and Demerged Company accepts all such acts, deeds and things done and executed by and/or on behalf of the Demerged Company and, as acts, deeds and things done and executed by and on behalf of the Resulting Company.

### 2 GENERAL TERMS AND CONDITIONS

- 2.1 The Demerged Company and Resulting Company shall, make applications to the Hon'ble NCLT under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.
- 2.2 Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Demerged Company and Resulting Company (as may be directed by the Hon'ble NCLT), Demerged Company and Resulting Company shall, apply to the Hon'ble NCLT, for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and for such other order or orders, as the said Hon'ble NCLT may deem fit for carrying this Scheme into effect.
- 2.3 On approval of this Scheme by the members and creditors of the Demerged Company, and Resulting Company, pursuant to Sections 230 to 232 of the Companies Act, 2013, it shall be deemed that all consents required from the shareholders and/or creditors, as the case may be, of the said companies under the provisions of the Act as may be applicable, have been accorded to.
- 2.4 Upon this Scheme becoming effective, the respective shareholders of the Demerged Company and Resulting Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.
- 2.5 The Demerged Company and Resulting Company (acting through their respective Boards of Directors or Committees thereof) may assent to any modifications or amendments to this Scheme, which the Hon'ble NCLT and/or any other authorities/Stock Exchanges may deem fit to direct or impose or which may otherwise be considered necessary or desirable or for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Demerged



Company and Resulting Company (acting through their respective Boards of Directors or Committees thereof) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

- 2.6 The Demerged Company and Resulting Company, shall have the discretion to withdraw their applications and/or petitions from the Hon'ble NCLT, if any onerous terms or other terms not acceptable to them are introduced in the Scheme whether at the meetings or at the time of sanction of the Scheme. They shall also be at liberty to render the Scheme ineffective by not filing the certified orders of sanction of the Scheme with the Registrar of Companies but they shall do so after intimating Hon'ble NCLT of their decision of not to file.

### 3 SCHEME CONDITIONAL UPON:

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

- 3.1 The requisite consent, approval or permission from BSE and/or SEBI under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, which by law or otherwise may be necessary for the implementation of this Scheme in compliance with the provisions of SEBI Circular;
- 3.2 The approval of the Scheme by the respective requisite majorities of the shareholders and/or creditors (where applicable) of the Companies in accordance with Section 230 to 232 of the Act read with section 66 of the Act;
- 3.3 The Scheme being sanctioned by the Tribunal in terms of Sections 230 to 232 read with section 66 of the Act and other relevant provisions of the Act and the requisite orders of the Tribunal;
- 3.4 Such other approvals and sanctions including from government authorities or contracting party as may be required by law or contract for the Scheme.
- 3.5 Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the RoC by AIL and AFL as per the provisions of the Act;

### 4 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Companies shall mutually waive such conditions as they may consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

If any part of this Scheme is found to be unworkable or unviable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Companies affect the validity or implementation of the other parts and/or provisions of this Scheme.



5 **COSTS, CHARGES AND EXPENSES**

All past, present and future costs, charges, levies, duties, and expenses, save and except stamp duty payable pursuant to transfer of Demerged Undertaking, if any, which shall be borne by the Resulting Company, in relation to or in connection with or incidental to the Scheme or the implementation thereof and all of the above costs shall be treated, as costs relating to this scheme of arrangement.

