

**SCHEME OF ARRANGEMENT
BETWEEN
PARSHVA ENTERPRISES LIMITED
("DEMERGED COMPANY")
AND
SIMANDHAR IMPEX LIMITED
("RESULTING COMPANY")
AND**

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE SECTIONS
AND PROVISIONS OF THE COMPANIES ACT, 2013 READ
TOGETHER WITH THE RULES MADE THEREUNDER)**



INTRODUCTION

1. PREAMBLE

This Scheme of Arrangement (“**Scheme**”) is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder and also read with Sections 2(1B) and 2(19AA) and the other applicable provisions of the Income-tax Act, 1961, and further read together with the applicable framework and regulations as is provided and governed by the Securities and Exchange Board of India, in each case, as amended from time to time and as may be applicable, for:

- (i) De-merger and Transfer of the Jewellery Business Undertaking along-with all its related assets and liabilities (*as more elaborately defined hereunder*) of Parshva Enterprises Limited (the “**De-merged Company**”) and vesting of the same with and into Simandhar Impex Limited (the “**Resulting Company**”), on a going concern basis in the manner as set out in this scheme, with effect from the Appointed Date and upon the Scheme being effective from the Effective Date; and
- (ii) Various other matters consequential or otherwise integrally connected herewith.

2. BACKGROUND AND DESCRIPTION OF THE PARTIES TO THIS SCHEME

- a) **PARSHVA ENTERPRISES LIMITED (“PEL” / DE-MERGED COMPANY)** is a public limited company, limited by shares incorporated under the Companies Act, 2013 on 27th July 2017 having its registered office at HO. No. 219, Vill. Brahmangaon, Tal. Wada, District Palghar, Wada, Thane, Vada – 421 303 in the State of Maharashtra. PEL then became a listed entity on 01st July, 2019. The Corporate Identification Number (“**CIN**”) of the De-merged Company is L51909MH2017PLC297910 and the Permanent Account Number



("PAN") of the De-merged Company is AAJCP3373R. Presently, PEL is engaged into three businesses viz. Jewellery, Real Estate and Cut & Polished Diamonds. The equity shares of PEL are listed on the BSE Limited ("BSE" or "the Stock Exchange"). PEL is a holding company of Simandhar Impex Limited, the Resulting Company.

- (b) **SIMANDHAR IMPEX LIMITED ("SIL" / "RESULTING COMPANY")** is a public limited company incorporated under the Companies Act, 2013 on 15th December 2023 having its registered office at 811A Wing, Jaswanti Allied Business Center, Kanchpada, Malad Malad West, Mumbai – 400 064 in the State of Maharashtra. The Corporate Identification Number ("CIN") of the Resulting Company is U46498MH2023PLC415552 and the Permanent Account Number ("PAN") of the Resulting Company is ABMCS3192B. Presently, SIL is engaged in the business of buying and selling of Jewellery and precious Metals. Simandhar Impex Limited, the Resulting Company is a wholly owned subsidiary of Parshva Enterprises Limited, the De-merged Company. Presently, entire 100% shareholding in the Resulting Company is held by the De-merged Company.

3. NEED AND RATIONALE FOR THE SCHEME

3.1 Need for the Scheme –

Both the Companies viz. the De-merged Company and the Resulting Company belong to the same group of management and the proposed De-merger will be in the paramount interest of the De-merged Company, the Resulting Company and their respective shareholders and creditors as the proposed de-merger will yield advantages of increased business synergies. Further, the proposed consolidation through de-merger and transfer of Jewellery Business Undertaking of the De-merged Company into the Resulting Company will result into overall enhanced efficiencies and would



aid in rationalizing the Promoter holding thus leading to a simplified and streamlined organization structure.

3.2 **Rationale for the Scheme –**

3.2.1 The consolidated organization is also expected to create more value for all the stakeholders in the manner set out below:

- (a) Segregation of Jewellery Business [“De-merged Undertaking” (*as defined hereunder*)], Real Estate Business and Cut & Polished Diamonds Business [“Remaining Undertakings” (*as defined hereunder*)] from the De-merged Company will allow the De-merged Company and the Resulting Company (“Companies”) to have independent and focused management as well as independently pursue different opportunities and strategies for the growth of each respective businesses aligned to specific market dynamics;
- (b) The proposed de-merger under the Scheme will enable a different operating model for the Jewellery Business under the Resulting Company, specific and fit for purpose for fast-moving Jewellery Company, which would lead to a greater ability to operate independently and positively shape the jewellery market. The requirements of the businesses of the De-merged Company and the Resulting Company including in terms of operations, nature of risks, competitive advantages, strategies and regulatory compliances are different and the de-merger will allow for enhancement of the business models of both the De-merged Company and the Resulting Company;
- (c) The shareholders, investors, analyst community and other stakeholders will have greater understanding and visibility of all the three businesses;
- (d) The proposed de-merger will not only facilitate pursuit of scale and independent growth plans but also more focused management and stronger leverage of specific global resources within the group and flexibility in terms of providing liquidity for shareholders following the listing of the shares of the Resulting Company.



- (e) It will allow in creating the ability to achieve valuation based on respective risk-return profile and cash flow, attracting right investors and thus enhancing flexibility in accessing capital;
- (f) Provide scope of separate companies for independent collaboration and expansion including expanding potential Clients/Customer market for each business;
- (g) Simandhar Impex Limited (SIL) will acquire the Jewellery Business on going concern basis from Parshva Enterprises Limited (PEL). Parshva Enterprises Limited will focus on other commercial activities / businesses mainly Cut & Polished Diamonds Business and Real Estate Business. The de-merger will ensure focused management attention and resources and skill set allocation;
- (h) The nature of technology, risk, competition and capital intensity involved in each of the Undertakings of the De-merged Company is distinct from each other. Consequently, each Undertaking of the De-merged Company is capable of addressing independent business opportunities, deploying different technologies and attracting different set of investors, strategic partners, lenders and other stakeholders. Hence as a part of overall business reorganization plan, it is considered desirable and expedient to reorganize and reconstruct the De-merged Company by de-merging the De-merged Undertaking to the Resulting Company in the manner and on the terms and conditions contained in the Scheme.
- (i) The proposed de-merger will de-risk the businesses from each other and allow potential investors and other stakeholders the option of investing in all three businesses.

3.2.2 The Scheme envisages de-merger of the De-merged Undertaking (*as defined hereunder*) and vesting of the same in the Resulting Company pursuant to Part B of this Scheme, to enable the Resulting Company and the De-merged Company to achieve optimum growth and development of their respective business operations post such de-merger. The nature of risk and



opportunities involved in all the businesses is divergent and capable of attracting different sets of investors. The management of the respective Companies believe that all the businesses (viz. Jewellery Business (*as defined hereunder*) and the Remaining Undertakings (*as defined hereunder*)) will benefit from dedicated management, operations and investment strategy leading to development, expansion and growth for maximization of stakeholders' value.

- 3.2.3 The management of the respective Companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective Companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

4. TREATMENT OF THE SCHEME FOR THE PURPOSE OF INCOME TAX ACT, 1961:

- 4.1 De-merger of the Jewellery Undertaking (*as defined hereunder*) from the De-merged Company to the Resulting Company pursuant to this Scheme shall take place with effect from the Appointed Date (*as defined hereunder*) and shall be in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961 such that:
- i. All the assets of De-merged Company forming part of the De-merged Undertaking immediately before the De-merger shall become the assets of the Resulting Company by virtue of the De-merger.
 - ii. All the liabilities of De-merged Company forming part of the De-merged Undertaking immediately before the De-merger shall become the liabilities of the Resulting Company by virtue of the De-merger.
 - iii. The assets and the liabilities relatable to the Demerged Company forming part of the De-merged Undertaking shall be transferred to the Resulting



Company at the values appearing in the books of account of the De-merged Company immediately before the De-merger.

- iv. The Resulting Company shall issue in consideration of the De-merger, shares to the shareholders of the De-merged Company as per the Share Entitlement Ratio.
- v. All the shareholders of the De-merged Company as on the Record Date (*as defined hereunder*) shall become the shareholders of the Resulting Company by virtue of the De-merger.
- vi. The transfer of the De-merged Undertaking shall be on a going concern basis.
- vii. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, 1961 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, 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 modifications shall however not affect the other parts of the Scheme.

5. OVERVIEW OF THIS SCHEME

PART A	-	Definitions and Capital Structure
PART B	-	Transfer and Vesting of the De-merged Undertaking from the De-merged Company into Resulting Company and its Consideration thereof
PART C	-	Accounting Treatment and Capital Structure
PART D	-	General Terms and Conditions applicable to the Scheme



PART A

DEFINITIONS AND CAPITAL STRUCTURE

6. DEFINITIONS

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- (i) Capitalised Terms defined by inclusion in quotation and/or parenthesis have the meaning so ascribed.
- (ii) Subject to (iii), all the terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, shall have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification(s) or re-enactment(s) thereof from time to time.
- (iii) The following expressions shall have the following meanings:

- 6.1 “**Act**” means, as the context may admit, the Companies Act, 2013 (as may be notified from time to time) and the rules made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 6.2 “**Accounting Standards**” shall mean the Accounting Standards as notified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time, issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India;
- 6.3 “**Applicable Law(s)**” means all statutes, notifications, bye-laws, rules, regulations, guidelines, rules or common law, policies, codes, directives,



ordinances, schemes or orders enacted or issued or sanctioned by any governmental authority, including any modification or re-enactment thereof for the time being in force;

- 6.4 **“Appointed Date”** means the opening of business hours on 01st April, 2024 or such other date as may be approved by the NCLT, with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme;
- 6.5 **“Board of Directors” or “Board” or “Management”** means the Board of Directors of the respective Companies and shall, unless repugnant to the context or otherwise, include any duly authorized committee of directors or any person duly authorized by the Board of Directors or such committee of directors;
- 6.6 **“BSE” or “Stock Exchange”** means The BSE Limited and includes any successor thereof;
- 6.7 **“CIN”** means Company Identification Number;
- 6.8 **“Companies”** means collectively, the De-merged Company and the Resulting Company;
- 6.9 **“De-merged Company” or “PEL”** means Parshva Enterprises Limited, as mentioned in the Para 2(a) of this Scheme;
- 6.8 **“De-merged Transferred Employee”** means (a) the employees of the De-merged Undertaking; and (b) certain other employees which will be assigned to the operations of the De-merged Undertaking, pursuant to the proposed de-merger;
- 6.10 **“De-merged Undertaking”** means the business undertaking of the De-merged Company engaged in the Jewellery Business, as a going concern, including all its assets, investments, infrastructures, rights, approvals, licenses and powers, leasehold rights and all its debts, outstanding



liabilities, duties, obligations and employees, in each case, pertaining exclusively and solely to the Jewellery Business of the De-merged Company (Schedule – 1) and including, but not limited to, the following:

- (i) all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on the De-merged Undertaking or in connection therewith and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or marketing authorisations, including pending applications), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force, benefit of any exemptions, privileges and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of very kind and description whatsoever pertaining to the De-merged Undertaking of the De-merged Company;
- (ii) any and all assets and property relating to or arising from the activities and operations of the De-merged Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including but not limited to inventory (including all raw material inventory, work-in-process inventory, goods in transit and finished products inventory), office buildings, plant and machinery, capital work-in-progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements,



insurance policies (other than those taken for the Demerged Company as a whole or without reference to specific assets relating to the Demerged Undertaking), authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under applicable law or in terms of certain schemes or policies of the Government of India or any State Government, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by De-merged Company with respect to the De-merged Undertaking and all other interests in connection with or relating to the De-merged Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the De-merged Undertaking, plant, machinery, equipment, whether leased or otherwise;

- (iii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the De-merged Undertaking, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the De-merged Undertaking, bank overdrafts (if any), working capital loans and liabilities, amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort



based on negligence or strict liability), pertaining to the De-merged Undertaking;

- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by the De-merged Company directly or indirectly in connection with the De-merged Undertaking;
- (v) liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the De-merged Undertaking, if any, allocated to the De-merged Undertaking, in the same proportion which the value of the assets transferred under the Scheme bear to the total value of the assets of De-merged Company immediately before giving effect to the Scheme;
- (vi) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) pertaining to the De-merged Undertaking including the investments, all cash balances with the other banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the De-merged Undertaking or to which the De-merged Undertaking may be entitled;
- (vii) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e-mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising



materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and

other records in connection with or in relation to the De-merged Undertaking;

(viii) all records relating to the De-merged Undertaking on and from the Effective Date, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and development of the De-merged Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;

(ix) the De-merged Transferred Employees, including all staff of De-merged Company employed in connection with or proposed to be reassigned to a position in relation to the De-merged Undertaking, benefits, any other liabilities, employee welfare benefits with such De-merged Transferred Employees, as on the Effective Date of the Scheme and including those employed at its offices;

(x) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the De-merged Undertaking of the De-merged Company;

(xi) all contracts, agreements, licenses, leases, memorandum of undertakings, memorandum of agreements, memorandum of agreed points, letters of



agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which the De-merged Company is a party, exclusively relating to the De-merged Undertaking; it being clarified that the De-merged Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Remaining Undertakings. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the De-merged Undertaking or the Remaining Undertakings shall be resolved by mutual agreement between the Board of Directors of each of the De-merged Company and the Resulting Company ("Companies");

- (xii) all taxes, share of advance tax, TDS, TCS, MAT credit, deferred tax benefits and other benefits in respect of the Jewellery Business of De-merged Company;
- (xiii) all legal proceedings of whatsoever nature by or against or in relation to the Jewellery Business of the De-merged Company; and
- (xiv) specific loans and borrowings raised, incurred and utilized, if any, solely for the activities or operations of the Jewellery Business of the De-merged Company;

Any issue as to whether any asset or liability pertains to or is relatable to the De-merged Undertaking shall be mutually decided between the Board of Directors of the De-merged Company and the Resulting Company on the basis of evidence that they may deem relevant for the purpose (including the books or records of the De-merged Company).

- 6.11 **"Depository Participant"** shall mean registration in the capacity of depository participant with National Securities Depository Limited (NSDL);



6.12 **“Effective Date”** means the date on which the order of the Tribunal sanctioning the Scheme or any particular part(s) of the Scheme is filed with the RoC;

Any references in this Scheme to **“upon this Scheme becoming effective”** or **“effectiveness of this Scheme”** shall be construed accordingly.

6.13 **“Encumbrance”** means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has economic or financial effect similar to the granting of security under Applicable Laws; (ii) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (iii) any adverse claim as to title, possession or use.

6.14 **“Government” or “Governmental Authority”** shall mean: (a) any national, federal, provincial, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause (a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction and including, without limitation or prejudice to the generality of the foregoing, SEBI, the NCLT and any Tax authority;

6.15 **“GST”** means goods and services tax;

6.16 **“IT Act”** means the Indian Income-tax Act, 1961 and the rules, regulations, circulars, notifications and orders issued thereunder including



any statutory modifications, re-enactments or amendments thereof for the time being in force;

- 6.17 **“MAT”** means minimum alternate tax;
- 6.18 **“NCLT” or “Tribunal”** means the Regional Bench of the National Company Law Tribunal at Mumbai, Maharashtra having jurisdiction over such companies for the purposes of this Scheme;
- 6.19 **“New Equity Shares” or “New Shares”** has the meaning ascribed to such term in Clause 20.1;
- 6.20 **“Record Date”** means in relation to the de-merger of the De-merged Undertaking, the date to be fixed by the Board of Directors of the De-merged Company and the Resulting Company, for the purpose of issue of shares of the Resulting Company to the shareholders of the De-merged Company pursuant to this Scheme;
- 6.21 **“Registrar of Companies” or “ROC”** shall mean the Registrar of Companies, Mumbai at Maharashtra having jurisdiction over the De-merged Company and the Resulting Company;
- 6.22 **“Remaining Undertakings”** means all the undertakings, businesses, activities and operations of the De-merged Company viz. Real Estate Business and Cut & Polished Diamonds Business (Schedule – 2) that continues to remain with the De-merged Company after the de-merger of the Jewellery Business in accordance with Part B of this Scheme;
- 6.23 **“Resulting Company” or “SIL”** means Simandhar Impex Limited, as mentioned in the Para 2(b) of this Scheme;
- 6.24 **“Rules”** means The Companies (Compromises, Arrangements and Amalgamations) Rules 2016 and any other applicable rules, issued under the Act and as amended from time to time;



- 6.25 **“Scheme of Arrangement” or “Scheme”** means this scheme of arrangement in its present form, or with or without any modification(s), as may be approved or imposed or directed by the Tribunal, Court, SEBI and any other Governmental Authority;
- 6.26 **“SEBI”** means the Securities and Exchange Board of India or any successor thereof;
- 6.27 **“SEBI Circular” or “SEBI Scheme Circular”** means the SEBI Master Circular bearing number SEBI/HO/POD-2/P/CIR2023/93 dated June 20, 2023, consolidating SEBI circulars dated March 10, 2017, March 23, 2017, May 26, 2017, September 21, 2017, January 3, 2018, September 12, 2019, November 3, 2020, November 16, 2021, and November 18, 2021, further amended from time to time, *inter alia* in relation to the Scheme of Arrangement by Listed Entities;
- 6.28 **“SEBI Regulations”** means the regulations *inter-alia* including Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, and shall include any other applicable circulars, notifications, orders, statutory modifications or re-enactments or amendments thereof in force, or any act, regulations, rules, guidelines etc., that may replace such regulations as any be introduced by SEBI, from time to time;
- 6.29 **“Share Entitlement Ratio”** shall have meaning ascribed to it in Clause 20.1;
- 6.30 **“Tax” or “Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction



at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to De-merged Company and Resulting Company and all penalties, charges, costs and interest relating thereto;

6.31 **“TDS”** means Tax Deducted at Source;

The expressions, which are used but are not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Companies Act, the Banking Regulation Act, 1949, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

In this scheme, unless the context otherwise requires:

- words denoting singular shall include plural and vice-versa;
- headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- references to the word “include” or “including” shall be construed without limitation;
- a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- unless otherwise defined, the reference to the word “days” shall mean calendar days;
- reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and



- word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

7. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

This Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 26 of the scheme shall be effective from the Appointed Date but shall be operative from the Effective Date. Reference in this Scheme to the “date of coming into effect of this Scheme” or “upon the Scheme being effective” shall mean Effective Date.

8. **CAPITAL STRUCTURE**

- 8.1 The authorised, issued, subscribed and paid-up share capital of the De-merged Company, as on 31st March 2024 is as under:

Share Capital	Amount in Rs.
Authorised Capital	
1,05,00,000 Equity Shares of Rs. 10 each	10,50,00,000
Total	<u>10,50,00,000</u>
Issued, Subscribed and Paid-up Share Capital	
1,01,89,749 Equity Shares of Rs. 10 each	10,18,97,490
Total	<u>10,18,97,490</u>

Subsequent to 31st March, 2024 and until the date of the Scheme being approved by the Board of Directors of the De-merged Company, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the De-merged Company.

- 8.2 The authorised, issued, subscribed and paid-up share capital of the Resulting Company, as on 31st March 2024 is as under:



Share Capital	Amount in Rs.
Authorised Capital	
35,00,000 Equity Shares of Rs. 10 each	3,50,00,000
Total	<u>3,50,00,000</u>
Issued, Subscribed and Paid-up Share Capital	
10,000 Equity Shares of Rs. 10 each	1,00,000
Total	<u>1,00,000</u>

Subsequent to 31st March, 2024 and until the date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Resulting Company.



PART B

**TRANSFER AND VESTING OF THE DE-MERGED
UNDERTAKING FROM THE DE-MERGED COMPANY
INTO RESULTING COMPANY AND
ITS CONSIDERATION THEREOF**

**9. DE-MERGER AND TRANSFER OF THE DE-MERGED
UNDERTAKING OF THE DE-MERGED COMPANY AND
VESTING OF THE SAME WITH THE RESULTING COMPANY**

- 9.1 Subject to the provisions of Part B and Part E of this Scheme in relation to the modalities of the de-merger of the De-merged Undertaking of the De-merged Company and vesting of the same with the Resulting Company, upon this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, the De-merged Undertaking as defined under Clause 6.10 together with all its assets, liabilities, infrastructures, rights and obligations, properties, benefits and interests therein, shall by virtue of Part B of this Scheme, de-merge from the De-merged Company and be, transferred to, and stand vested in, the Resulting Company as a going concern, and shall become the assets, liabilities, rights, obligations, business and undertaking of the Resulting Company, subject to the existing encumbrances thereon in favour of banks and financial institutions, if any (unless otherwise agreed to by such encumbrance holders), without any further act, instrument or deed being required from the De-merged Company and/or the Resulting Company and without any approval or acknowledgement of any third party, unless otherwise required in terms of Applicable Laws, in accordance with Sections 230 to 232 of the Act read



with Section 2(19AA) of the IT Act and all other applicable provisions of Applicable Laws if any, in accordance with the provisions contained herein.

- 9.2 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, all assets (including intangible assets) and properties pertaining to the De-merged Undertaking which are movable in nature or incorporeal property or otherwise capable of transfer by delivery of possession or by endorsement and / or delivery, the same shall stand so transferred by the De-merged Company upon the coming into effect of the Scheme, to the end and intent that the rights, titles, interest and property therein passes to the Resulting Company and shall, become the assets and property of Resulting Company with effect from the Appointed Date pursuant to the provisions of Section 230-232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same. No additional stamp duty shall be payable on the transfer of such movable properties, upon its transfer and vesting in the Resulting Company.
- 9.3 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, other assets pertaining to the De-merged Undertaking including actionable claims, sundry debtors, outstanding loans, advances, recoverable in cash or kind or for value to be received and deposits/bonds with the government, semi-government, local and other authorities and bodies, customers or any other person, the same shall, without any further act, instrument or deed, be transferred and vested in the Resulting Company on the Effective Date pursuant to the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, with effect from the Appointed Date by operation of law. The Resulting Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company and that appropriate



modification should be made in their respective books / records to reflect the aforesaid changes.

- 9.4 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, those assets belonging to the De-merged Undertaking other than those referred to in Clause (9.1) to (9.3) above, the same shall be transferred to and vested in and / or deemed to be transferred to and vested in Resulting Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 9.5 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, the immovable property, if any, required by the De-merged Undertaking shall be provided to the Resulting Company on a leave and license basis.
- 9.6 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of the Scheme, all debts, loans and liabilities (including contingent liabilities), duties and obligations pertaining to the De-merged Undertaking of De-merged Company, pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder and the applicable laws so as to become as and from the Appointed Date, the debts, loans and liabilities (including contingent liabilities), duties and obligations of the Resulting Company.
- 9.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all taxes paid (including advance tax), taxes refund due or receivable, carried forward losses, unabsorbed depreciation, capital losses, pending balances of amortizations, any tax credit available (including GST Credit, other tax credits) etc., including application for rectification, appeals filed with tax authorities pertaining to the De-merged Undertaking of the De-merged Company shall also, pursuant to the provisions of Sections 230 to 232 of the Act, and other applicable provisions of the Act



and Applicable Laws without any further act or deed, be transferred or be deemed to be transferred to the Resulting Company, so as to become as and from the Appointed Date the taxes paid, taxes refund due or receivable (whether as per Books or as per Income Tax) of the Resulting Company.

- 9.8 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the employees of the De-merged Undertaking, all workmen and employees forming part of the De-merged Undertaking, who are on the payrolls of the De-merged Company and all other personnel employed by the De-merged Company who form part of the De-merged Undertaking shall become employed by the Resulting Company, on such terms and conditions as are no less favourable than those on which they were engaged with the De-merged Company immediately prior to the Effective Date, without any interruption of service as a result of this de-merger and transfer. With regard to provident fund, gratuity fund, superannuation fund and any contributions required to be made in relation to employees under any statute or regulation, leave encashment and any other special scheme or benefits created or existing for the benefit of the personnel employed by the De-merged Company immediately prior to the Scheme coming into effect on the Appointed Date and transferred to the Resulting Company, the Resulting Company shall stand substituted for the De-merged Company for all intents and purposes whatsoever, upon this Scheme becoming effective on the Appointed Date, including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents and/or in accordance with the provisions of Applicable Laws or otherwise. All existing contributions made to such schemes and funds and all benefits accrued thereto shall also stand transferred in the name of the Resulting Company and all such benefits and schemes shall be continued by the Resulting Company for the benefit of such personnel employed by the De-merged Company in relation to the De-merged



Undertaking and transferred to the Resulting Company, on the same terms and conditions. Further, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the De-merged Company in relation to such schemes or funds in relation to the employees and workmen forming part of the De-merged Undertaking shall become those of the Resulting Company. It is clarified that the services of all personnel employed by De-merged Company in the De-merged Undertaking, who are entitled to the benefits under such schemes and funds, will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.

- 9.9 Upon the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees of the De-merged Undertaking by the De-merged Company. The Resulting Company agrees that for the purpose of payment of any future retrenchment compensation, gratuity and other terminal benefits, the past services of such employees of the De-merged Undertaking, if any, with the De-merged Company, as the case may be, shall also be taken into account and agrees and undertakes to pay the same as and when payable. Further, upon the Scheme coming into effect on the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee of the De-merged Undertaking by the De-merged Company shall be continued or shall continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.
- 9.10 Upon the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall be entitled to the benefit of all insurance policies (if any) which have been issued in respect of De-merged Undertaking and/or any of its assets or employees and the name of the Resulting Company shall stand substituted as the



“Insured” in all such policies as if the Resulting Company was originally a party thereto without any further act, instrument or deed required by either of the De-merged Company or the Resulting Company and without any approval or acknowledgement of any third party. Further, the Resulting Company shall be entitled to the benefit of all claims filed, prosecuted, proposed to be filed, pending and/or adjudicated in relation to all insurance policies issued in respect of De-merged Undertaking and/or any of its assets or employees.

- 9.11 Upon the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all taxes and duties of whatsoever description (including but not limited to all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, TDS, TCS, MAT, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, GST, sales tax, service tax, etc.) payable by or refundable to the De-merged Company in relation to the De-merged Undertaking, including all or any refunds or claims in relation thereto (including unutilized input credits of the De-merged Undertaking) shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc., as would have been available to the De-merged Company in relation to the De-merged Undertaking, shall pursuant to this Scheme becoming effective, be available to the Resulting Company without any further act, instrument or deed required by either of the De-merged Company or the Resulting Company and without any approval or acknowledgement of any third party but in the manner more particularly set out herein below. Upon the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT), excise (including



Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which the De-merged Company is entitled in relation to the De-merged Undertaking shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the De-merged Company and without any approval or acknowledgement of any third party. Upon the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of the De-merged Company until the Effective Date shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the De-merged Undertaking during such period.

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

9.13 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all statutory or regulatory licenses and permits, grants, allotments, recommendations, no-objection certificates, permissions, approvals, certificates, consents, quotas, exemptions, clearances (including environmental approvals and consents), tenancies, privileges, powers, offices, facilities, entitlements, rights or registrations (including



registrations granted by the SEBI as trading & clearing member with identified exchanges, depository participant) granted/available/renewed/applied for, to or by the De-merged Company in relation to the De-merged Undertaking shall stand transferred to and vested in the Resulting Company, without any further act, instrument or deed being required by the De-merged Company and/or the Resulting Company and without any approval or acknowledgement of any third party, unless any filing, compliance and approval requirements arises in the hands of the De-merged Company and/ or the Resulting Company, in terms of Applicable Laws including but not limited to the SEBI Regulations. Upon the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall be entitled to all the benefits thereof and shall be liable for all the obligations thereunder. In relation to the same, any procedural requirements required to be fulfilled solely by De-merged Company (and not by any of their successors), shall be fulfilled by the Resulting Company as if it is the duly constituted attorney of the De-merged Company. It is hereby clarified that if the consent or approval (by whatever name called) of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall duly record or provide such consent or approval and shall make the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company may file appropriate applications/documents with relevant authorities concerned for information and record purposes. However, it is hereby clarified that the absence of any such substitution/endorsement shall not adversely affect the rights, benefits or interest of the Resulting Company which shall be deemed to have been transferred to the Resulting Company automatically upon the Scheme becoming effective on the Appointed Date.



9.14 For the avoidance of doubt and without prejudice to the foregoing, it is clarified that upon coming into effect of this Scheme, all consents, permissions, licenses, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, power of attorney given by, claims, powers, authorities, allotments, approvals, consents, contracts (including customer and supplier contracts), enactments, arrangements, rights, titles, interests, benefits, advantages, leasehold rights and tenancies and other intangible rights, copyrights, brands, intellectual property, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licenses, (industrial or otherwise), registrations, under the applicable laws, municipal/local permissions, etc., issued to or executed in favour of De-merged Company shall stand vested to the extent it relates to and pertains to De-merged Undertaking, to the Resulting Company in which De-merged Undertaking shall vest by way of De-merger hereunder, as if the same was originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall make application(s) to and obtain relevant approval(s), etc. from the concerned authorities and / or parties as may be necessary in this behalf and the De-merged Company shall cooperate and provide the required support wherever required.

9.15 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the De-merged Undertaking, which the De-merged Company owns or to which the De-merged Company is a party and which cannot be transferred and vested in the Resulting Company for any reason



whatsoever, the De-merged Company shall hold such assets, etc. in trust for the benefit of the Resulting Company to which the De-merged Undertaking is being vested in terms of this Scheme, in so far as it is permissible to do so, till such time as the vesting is effected and till such time the Resulting Company shall be entitled to utilise, operate, avail the same for the De-merged Undertaking's activities without any consideration.

- 9.16 It is clarified that if any contracts, agreements or any other facility of whatsoever nature which is owned by the De-merged Company and is shared by the De-merged Undertaking, and which cannot be transferred and vested or separately entered with the Resulting Company for any reason whatsoever, the De-merged Company shall share such contract, agreement or any other facility, if any, with the Resulting Company and the Resulting Company shall be entitled to utilise, operate, avail the same for the De-merged Undertaking's activities at cost and subject to such terms as may be mutually agreed between the Resulting Company and De-merged Company.
- 9.17 The transfer and vesting of the De-merged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof relatable to the De-merged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the De-merged Undertaking on the same terms and conditions as applicable, provided however that any such charge, mortgage or encumbrance shall not extend to any existing asset owned or held by the Resulting Company.
- 9.18 For avoidance of doubt and without prejudice to generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name in the bank accounts



pertaining to the De-merged Undertaking have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts pertaining to the De-merged Undertaking in the name of De-merged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment pertaining to the De-merged Undertaking which is in the name of De-merged Company after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts pertaining to the De-merged Company in the name of the De-merged Company for such time as may be determined to be necessary by the Resulting Company for presentation of deposition of cheques and pay orders that have been issued in the name of the De-merged Company. It is hereby expressly clarified that any legal proceedings by or against the De-merged Company pertaining to the De-merged Undertaking's cheques and other negotiable instruments, payments order received or presented for encashment which are in the name of De-merged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the coming into effect of the Scheme.

- 9.19 Upon the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall be entitled to claim the benefit of any and all corporate approvals and limits as may have already been taken by the De-merged Company in relation to the De-merged Undertaking, including without limitation, the approvals and limits under Sections 62, 179, 180, 185, 186, 188 etc., of the Act, until the time the same are duly modified by the Resulting Company.
- 9.20 Upon the Scheme becoming operative from the Effective Date and with effect from the Appointed Date, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi-judicial, administrative,



regulatory or other proceedings initiated by or against the De-merged Company in relation to the De-merged Undertaking. If any suit, appeal or other proceeding of whatsoever nature by or against the De-merged Company, in relation to the De-merged Undertaking, shall be pending as on the Effective Date, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of such De-merged Undertaking and transfer and vesting of the same in the Resulting Company or of anything contained in Part B of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the De-merged Company in relation to the De-merged Undertaking as if Part B of this Scheme had not been made effective. Upon the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the De-merged Company in relation to the De-merged Undertaking transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the De-merged Company. The Resulting Company also undertakes to handle all legal or other proceedings which may be initiated against the De-merged Company in relation to the De-merged Undertaking, after the Effective Date in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal / other proceedings.

- 9.21 All loans raised and used and all liabilities and obligations incurred by De-merged Company for the operations of De-merged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company in which the De-merged Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand



transferred and vested in and be deemed to be transferred and vested in the Resulting Company and shall become the debts, liabilities duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.

- 9.22 Without prejudice to the provisions of the foregoing clauses and upon effectiveness of this Scheme, the De-merged Company and Resulting Company shall execute such instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the relevant regulatory authority and Governmental Authorities to give formal effect the above provisions, if required.

10. VESTING AT BOOK VALUES

On the Scheme being effective, with effect from the Appointed Date, all the assets, properties and liabilities of the De-merged Undertaking shall be vested in the Resulting Company at the value appearing in the books of the De-merged Company.

11. CONDUCT OF DE-MERGED UNDERTAKING OF DE-MERGED COMPANY TILL THE EFFECTIVE DATE

- 11.1 Upon the Scheme becoming effective from the Appointed Date, up to and including the Effective Date:
- (i) the De-merged Company shall be deemed to have carried on the business activities of the De-merged Undertaking and stand possessed of the properties and assets of the De-merged Undertaking, for, on behalf of and in trust for, the Resulting Company; and
 - (ii) all profits or income accruing to or received by the De-merged Company in relation to the De-merged Undertaking and all taxes paid thereon (including but not limited to advance tax, TDS, TCS, MAT, fringe benefit



tax, securities transaction tax, taxes withheld/paid in a foreign country, customs duty, entry tax, value added tax, GST, sales tax, service tax, etc.) or losses arising in or incurred by the De-merged Company in relation to the De-merged Undertaking shall, for all purposes, be treated as and deemed to be the profits, income, taxes or losses, as the case may be, of the Resulting Company.

- 11.2 Subject to the provisions of Clause 11.1 hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the De-merged Undertaking does not get automatically transferred to the Resulting Company upon the Scheme coming into effect on the Appointed Date, the De-merged Company shall take all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any additional consideration. It is clarified that even after the Scheme comes into effect on the Appointed Date, the De-merged Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the De-merged Undertaking in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the De-merged Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.



- 11.3 The Resulting Company shall also be entitled, pending the sanction of this Scheme, to apply to the central government, state government, and all other agencies, departments, statutory authorities and governmental authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require including the registration (including but not limited to with SEBI), approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for the time being in force for carrying on the business of the De-merged Undertaking.

12. TREATMENT OF TAXES

- 12.1 Upon this Scheme becoming operative on the Effective Date and with effect from the Appointed Date, all taxes and duties payable by the De-merged Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, Integrated Goods and Services Tax Act, 2017 ('IGST'), Central Goods and Services Tax Act, 2017 ('CGST'), and any other State Goods and Services Tax Act, 2017 ('SGST'), the Goods and Services Tax (Compensation to States) Act, 2017 and all other Applicable Laws), accruing and/or relating to, the De-merged Undertaking, for any period falling on or after the Appointed Date, including all advance tax payments, TDS, TCS, MAT and all refunds and claims in relation thereto shall, for all purposes, be treated as advance tax payments, TDS, TCS, MAT or refunds and claims, as the case may be, of the Resulting Company.
- 12.2 Upon this Scheme becoming operative on the Effective Date, and with effect from the Appointed Date, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including TDS, TCS, advance tax, MAT credit etc.), CENVAT, customs, IGST, CGST, SGST etc. relating to the De-merged Undertaking to which De-merged Company is entitled / obligated to, shall be available to and vest in the Resulting Company, without any further act, deed or instrument.



- 12.3 Upon this Scheme becoming operative on the Effective Date, and with effect from the Appointed Date, De-merged Company and the Resulting Company shall be permitted to revise and file their respective income tax returns, withholding tax returns, including TDS certificates, TDS returns, GST returns and other tax returns for the period commencing on and from the Appointed Date to give effect to the de-merger and transfer of the De-merged Undertaking from the De-merged Company to the Resulting Company and any matters connected therewith, and to claim all refunds, credits, etc., pertaining to the De-merged Undertaking, pursuant to the provisions of this Scheme without any further act, deed or instrument or consent or approval of any third party.
- 12.4 The Board of Directors of the De-merged Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the De-merged Undertaking, and therefore, is required to be transferred to the Resulting Company.
- 12.5 Upon the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any TDS withheld / TCS collected, TDS/ TCS deposited, TDS/ TCS certificates issued or TDS/ TCS returns filed by the De-merged Company relating to the De-merged Undertaking shall continue to hold good as if such TDS/ TCS amounts were withheld / collected and deposited, TDS/ TCS certificates were issued, and TDS/ TCS returns were filed by the Resulting Company.
- 12.6 All the expenses incurred by De-merged Company and the Resulting Company in relation to Part B of the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to De-merged Company and the Resulting Company in accordance with the Section 35DD of the IT Act over a period of five (5) years beginning with the previous year in which Part B of the Scheme becomes effective.



12.7 Upon the Scheme becoming operative on the Effective Date and with effect from the Appointed Date, any refund under the tax laws due to De-merged Company pertaining to the De-merged Undertaking consequent to the assessments made on De-merged Company and for which no credit is taken in the accounts of the De-merged Company as on the date immediately preceding the Appointed Date shall belong to and be received by the Resulting Company. The relevant Government Authorities shall be bound to transfer to the account of and give credit for the same to, the Resulting Company upon this Scheme becoming effective upon relevant proof and documents being provided to the said Governmental Authorities.

13. CONDUCT OF AFFAIRS AFTER THE EFFECTIVE DATE

13.1 The Resulting Company, shall, at any time after Part B of this Scheme becomes operative on the Effective Date, in accordance with the provisions hereof, if so required under any law, contract or otherwise, be entitled to do and take all such actions as may be required to give full effect to the provisions of this Part B and for this purpose the Resulting Company shall, under the provisions hereof, be deemed to be authorised on behalf of the De-merged Company. Without prejudice to the generality of the above, the Resulting Company shall be, with respect to the De-merged Undertaking, entitled and deemed to be authorised to:-

- (i) execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement (including without limitation any bank guarantee, performance guarantee, fixed deposit, letters of credit, bill of entry, etc.) in relation to the De-merged Undertaking, which the De-merged Company have been a party or to the benefit of which the De-merged Company may have been entitled, and to make any filings with the regulatory authorities, in order to give formal effect to the provisions of Part B of the Scheme; and



- (ii) do all such acts or things as may be necessary to effectually transfer/obtain in favour of the Resulting Company the approvals, consents, bids, awards, tenders, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates, etc. which were held or enjoyed by the De-merged Company in relation the De-merged Undertaking including without limitation, execute all necessary or desirable writings and confirmations on behalf of the De-merged Company and to carry out and perform all such acts, formalities and compliances as may be required in this regard.
- 13.2 The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or certificate or license or the terms of sanction or issue or any security, all of which instruments and documents shall stand modified and/or superseded by the foregoing provisions.
- 13.3 This Scheme has been drawn up to comply with the conditions relating to "De-merger" as specified under Section 2(19AA) of the IT Act. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with the said provision at a later date whether as a result of a new enactment or any amendment to any existing enactment or the coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision shall prevail and this Scheme (including any parts hereof) may be modified to comply with such laws or may be withdrawn at the discretion of the Board of Directors of the De-merged Company and the Resulting Company. Such modification/withdrawal will however not affect other Parts of the Scheme which have not been so modified or withdrawn.



14. EMPLOYEES OF THE DE-MERGED COMPANY

- 14.1 On the Scheme becoming operative, all staff and employees as identified by the Board of Directors of the De-merged Company pertaining to the De-merged Undertaking in service on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any break in their service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to their employment in the De-merged Company.
- 14.2 It is expressly provided that on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the De-merged Company pertaining to the De-merged Undertaking or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the De-merged Company in relation to the De-merged Undertaking in relation to such Fund or Funds shall become those of the Resulting Company or the Funds or Trusts created by Resulting Company in this regard. It is clarified that the services of the staff and employees of Resulting Company pertaining to the De-merged Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.
- 14.3 The Resulting Company shall not vary the terms and conditions of employment of any of the employees of the De-merged Company pertaining to the De-merged Undertaking except in the ordinary course of business or pursuant to any pre-existing obligation undertaken except with the written concurrence of the Resulting Company.



15. PERMITS AND REGISTRATIONS

- 15.1 With effect from the Appointed date, all the approvals, registrations, permits, licenses, etc. in relation to the De-merged Undertaking, pursuant to the provisions of Sections 230 to 232 of the Act, shall without any further act, deed, instrument, be transferred to and vested in, and be available to the Resulting Company and the concerned licensor and guarantors of such permits, licenses, etc. shall endorse, and/or transfer, wherever necessary, permits, licenses, etc. in the name of the Resulting Company so as to empower and facilitate the approval and vesting of the De-merged Undertaking in the Resulting Company and continuation of operations pertaining to the De-merged Undertaking in the Resulting Company without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company without any further act or deed and shall be appropriately mutated by the Appropriate Authority concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company.
- 15.2 The benefits of all the permits pertaining to the De-merged Undertaking shall without any other order to this effect, transfer and vest into and become available to the Resulting Company pursuant to the Sanction of this Scheme.
- 15.3 With effect from the Appointed Date, all rights and licenses relating to trade marks, know-how, technical data, technical credentials and certificates, financial credentials, trade names, description, trading style, franchisee, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights, powers, facilities of



every kind and descriptions of whatsoever nature in relation to the De-merged Company or to which the De-merged Company is a party or to the benefit of which the De-merged Company may be entitled/eligible and which are subsisting or have effect immediately before the Appointed Date, shall be in full force and effect on, or against, or in favour of the De-merged Undertaking and may be enforced as fully and effectually as if, instead of the De-merged Company, the Resulting Company had been a party or beneficiary or oblige thereto.

16. LEGAL PROCEEDINGS

- 16.1 If any suit, appeal or other proceeding of whatever nature by or against the De-merged Company in relation to the De-merged Undertaking is pending or arising on or before appointed date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of, or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the De-merged Company in relation to the De-merged Undertaking, as if this Scheme had not been made. Except otherwise provided herein, the De-merged Company shall not be responsible or liable in relation to any such legal or other proceeding that stand transferred to Resulting Company.
- 16.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the De-merged Company in relation to the De-merged Undertaking, the Resulting Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Resulting Company. Both the companies shall make relevant applications and take all the necessary steps as required in this regard.



17. CONTRACTS, DEEDS, AGREEMENTS, ETC.

- 17.1 Subject to the other provisions of this Scheme, all contracts including supplier and customer contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the De-merged Undertaking to which the De-merged Company is a party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the De-merged Company, the Resulting Company had been a party thereto.
- 17.2 The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novation or amendments, to which the De-merged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the De-merged Company for the De-merged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.
- 17.3 Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties relating to the De-merged Undertaking, shall be deemed to have been entered into and stand assigned, vested and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be the De-merged Company's substituted party or beneficiary or obligor thereto, it being always understood that the Resultant Company shall be the successor in interest of the De-merged Company in relation to the properties or rights mentioned hereinabove.



17.4 On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and issue credit notes on behalf of the De-merged Company, in relation to or in connection with the De-merged Undertaking, in the name of the Resulting Company in so far as it may be necessary until the transfer of rights and obligations of the De-merged Undertaking to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.

18. SAVING OF CONCLUDED TRANSACTIONS

18.1 Except as expressly provided hereunder in this Scheme, the transfer of properties and liabilities to, and the continuance of proceedings by or against, Resulting Company as envisaged in this Scheme shall not affect any transaction or proceedings already concluded by the De-merged Company in relation to the De-merged Undertaking on or before the Appointed Date and after the Appointed Date and until the Effective Date, and to such end and intent the Resulting Company accepts and adopts all acts, deeds and things done and executed by De-merged Company in respect thereto as done and executed on behalf of itself.

19. REMAINING UNDERTAKINGS

19.1 The remaining assets of the De-merged Company, including immovable property, other assets, liabilities and employees which are not part of the De-merged Undertaking shall continue to belong to and be vested in and be managed by the De-merged Company.

19.2 If any suit, appeal or other proceeding of whatever nature by or against the De-merged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertakings (including those relating to any property, right, power, liability, obligation or duties of the De-merged



Company in relation to the Remaining Undertakings) shall be continued or enforced by or against the De-merged Company after the Effective Date. The Resulting Company shall in any event not be responsible or liable in relation to any such legal, taxation or other proceeding against the De-merged Company, which relates to the Remaining Undertakings.

- 19.3 If proceedings are taken against the Resulting Company in respect of the matters referred to in clause 19.2 above, it shall defend the same in accordance with the advice of the De-merged Company and at the cost of the De-merged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- 19.4 It is hereby clarified that the existing securities, charges, mortgages and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof relatable to the Remaining Undertakings shall continue to secure the liabilities pertaining to the Remaining Undertakings on the same terms and conditions as applicable.
- 19.5 With effect from the Appointed Date and up to and including the Effective Date:
- (i) The De-merged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertakings for and on its own behalf.
 - (ii) All profits accruing to the De-merged Company thereon or losses arising or incurred by it (including effect of taxes, if any, thereon) relating to the Remaining Undertakings shall, for all purposes, be treated as the profits or losses, as the case may be, of the De-merged Company.
 - (iii) All assets and properties acquired by the De-merged Company in relation to the Remaining Undertakings on and after the Appointed Date shall belong to and continue to remain vested in the De-merged Company.



20. CONSIDERATION

- 20.1 Upon this Scheme coming being effective and in consideration of vesting of the De-merged Undertaking from the De-merged Company and vesting into and with the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further application, act, instrument or deed and without any payment by the shareholders, issue and allot equity shares, credit as fully paid-up, to the shareholders of the De-merged Company, holding fully paid up equity shares in the Resulting Company and whose names appear in the register of the members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Resulting Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following ratio:-

“3 (Three) Equity Shares of Simandhar Impex Limited (SIL) of face value of Rs. 10/- each, fully paid-up shall be issued for every 10 (Ten) Equity Shares of Rs. 10/- each, fully paid-up held in Parshva Enterprises Limited (PEL).”

The shares issued by the Resulting Company pursuant to this Clause 20 as referred to as **“New Equity Shares”**.

- 20.2 Mrs. Rajul Iyer, Rajul Iyer & Associates, Chartered Accountants and Registered Valuer with IBBI – Registration No.: IBBI/RV/06/2019/10559, dated May 14, 2024 has issued the report on the aforesaid share entitlement ratio adopted under the scheme. Navigant Corporate Advisors Ltd, an independent SEBI registered category – I Merchant Banker, has provided its fairness opinion on the aforesaid share entitlement ratio. The aforesaid report on the share entitlement ratio and fairness opinion has been duly considered by the Boards of the De-merged Company and the Resulting Company.



- 20.3 The New Equity Shares shall be fully paid up and free of all liens, charges and encumbrances and shall be freely transferrable in accordance with the articles of association of the Resulting Company.
- 20.4 The fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board of the Resulting Company in that behalf, who shall sell such shares in the market at such price, with a period of 90 (Ninety) days from the date of allotment of shares, and as per the Scheme on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlement so sold by the trustee.
- 20.5 The New Equity Shares issued to the members of the De-merged Company by the Resulting Company pursuant to this Clause 20 shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the De-merged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of the De-merged Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the De-merged Company, the New Equity Shares shall be issued to such members in dematerialized form provided that the members of the De-merged Company shall be required to have an account with the depository participant and shall be required to provide details thereof and such other confirmation as may be required. It is only thereupon that the Resulting Company shall issue and directly credit the dematerialized New Equity Shares to the account of such member. In the event the Resulting Company has received notice from any members



that shares are to be issued in physical form or any member are not provided the requisite details relating to his/her/its account with a depository participant or other confirmation as may be required, then the Resulting Company shall issue New Equity Shares in physical form to such members. Notwithstanding the above, if as per applicable laws, the Resulting Company is not permitted to issue and allot the New Equity Shares in physical form and it has still not received the demat account details of such shareholders of the De-merged Company, the Resulting Company shall issue and allot such shares in lieu of the New Equity Shares entitlement of such shareholders, into a demat suspense account, which shall be operated by one of the directors of the Resulting Company, duly authorized in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlement, will transfer from such demat suspense account into the individual demat account of such claimant shareholders, such number of shares as may be required in terms of this scheme.

- 20.6 The shares to be issued by the Resulting Company pursuant to the Clause 20 in respect of such of the Equity Shares of the De-merged Company which are held in abeyance under Section 126 of the Companies Act shall, pending allotment or dispute by order of Court or otherwise, also be kept in abeyance by the Resulting Company. In the event of any dispute in relation to the ownership of any equity shares of the De-merged Company, the New Equity Shares shall be issued and allotted in respect of such shares (pursuant to this Clause 20), which shares (together with any fractional entitlements) shall be held in trust and on behalf of the holder of the equity shares of the De-merged Company by the Resulting Company, pending settlement of dispute by order of the Courts or otherwise.
- 20.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the De-merged Company, the Board of



Directors of De-merged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the De-merged Company as if such changes in the registered holder were operated as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Resulting Company and in relation to the New Equity Shares issued by the Resulting Company after the effectiveness of the scheme under this Clause 20. The Board of Directors of the De-merged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of the difficulties faced in the transaction period.

- 20.8 The New Equity Shares issued and allotted by the Resulting Company in the terms of this Scheme shall be subject to the provisions of the memorandum and articles of association of the Resulting Company and shall rank *pari passu* inter-se in all respects including dividends declared, voting and other rights.
- 20.9 Upon the Scheme becoming effective, the share capital of the Resulting Company shall stand suitably reorganized and increased for the issuance of the New Equity Shares in accordance with this Clause 20. The issue and allotment of the shares of the Resulting Company in terms of this scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with. It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the New Equity Shares under applicable provisions of the Act.
- 20.10 The Resulting Company shall apply for the listing of their equity shares in the stock exchanges in terms of and in compliance of SEBI circulars and



other relevant provisions as may be applicable. The New Equity Shares allotted by the Resulting Company in terms of Clause 20.1 above, pursuant to this Scheme, shall remain frozen in the depository until listing/trading permission is given by the Stock Exchanges to the Resulting Company. Further, there shall be no change in the shareholding pattern of or control in the Resulting Company between the Record Date and listing of the shares.

20.11 Approval of this Scheme by the equity shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 13, Section 14, Section 42, Section 62 and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the equity shares by the Resulting Company to the equity shareholders of the De-merged Company as on the Record Date, as provided in this Scheme.

20.12 In the event the De-merged Company restructures its share capital by way of share split or consolidation or any other corporate action before the Record Date, the share entitlement ratio is set out in Clause 20.1 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.



PART C

ACCOUNTING TREATMENT AND CAPITAL STRUCTURE

21. ACCOUNTING TREATMENT IN THE BOOKS OF THE DE-MERGED COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of the De-merged Undertaking shall be accounted for in the books of the De-merged Company in accordance with applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India. Accordingly, De-merged Company shall provide the following accounting treatment in its books of accounts:

- (i) The De-merged Company, as on Appointed Date shall reduce the carrying value of all assets and liabilities including reserves, pertaining to the De-merged Undertaking transferred to the Resulting Company from its books of accounts.
- (ii) The excess of the carrying values of assets transferred to and vested over the carrying value of liabilities vested (i.e. net carrying value of assets transferred and vested), shall be adjusted with reserves of the De-merged Company, as per applicable Accounting Standards.
- (iii) the inter-corporate deposits/loans and advances/balances outstanding between the De-merged Undertaking of the De-merged Company and the Resulting Company, if any, shall stand cancelled and thereafter there shall be no obligation in that behalf.
- (iv) The difference between the carrying value of assets and liabilities including reserves, pertaining to the De-merged Undertaking of the De-merged Company, transferred to the Resulting Company, and post giving effect to clause 21(iii) above shall be adjusted against the capital reserve of the De-merged Company.



- (v) Any negative capital reserve pursuant to the accounting as per Clause 21(iv) above shall be adjusted against the retained earnings in the books of the De-merged Company.
- (vi) For any matter not specifically addressed above, the Board of Directors of De-merged Company is authorized to account for the balances in the manner, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Central Government as may be amended from time to time and the Generally Accepted Accounting Principles in India.

22. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

Upon the Scheme becoming effective, with effect from the Appointed Date, transfer of the De-merged Undertaking shall give effect to the de-merger in its books of accounts by applying the principles of Appendix C to Ind AS 103 — Business combinations and other applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS”) as notified under Section 133 of the Act and relevant clarifications issued by the Institute of Chartered Accountants of India on the date determined in accordance with Ind AS. Accordingly, the Resulting Company shall provide the following accounting treatment in its books of accounts:

- (i) Upon coming into effect of this Scheme, Resulting Company shall record the assets and liabilities including reserves, of the De-merged Undertaking vested in it pursuant to this Scheme, at their respective carrying values as appearing in the books of accounts of the De-merged Company;
- (ii) The inter-company deposits/loans and advances/payables & receivables/balances outstanding between the De-merged Undertaking of the De-merged Company and the Resulting Company, if any, shall stand cancelled and thereafter there shall be no obligation in that behalf;



- (iii) The Resulting Company shall credit to its share capital and record New Equity Shares issued and allotted by it pursuant to Clause 20 of the Scheme.
- (iv) The difference, if any, between the carrying value of assets and liabilities including reserves, under Clause 22(i) above transferred to the Resulting Company, further taking into consideration the impact of clause 22(ii), and the consideration discharged by way of New Equity Shares issued as per Clause 22(iii) above to the shareholders of the De-merged Company in lieu of the acquisition of De-merged Undertaking, shall be recorded as capital reserve in the books of the Resulting Company (debit or credit, as the case may be).
- (v) The Resulting Company shall record in its books of accounts, all transactions relating to the De-merged Undertaking of the De-merged Company in respect of assets, liabilities including reserves, income and expenses from the Appointed Date to the Effective Date.
- (vi) In case of any differences in accounting policy between the De-merged Company and the Resulting Company, the accounting policies of the Resulting Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.
- (vii) Notwithstanding the above, the Board of Directors of the Resulting Company is authorized to record assets, liabilities and reserves and surplus in compliance with prevailing accounting standards.

23. **CHANGE IN CAPITAL STRUCTURE**

- 23.1 Neither PEL nor SIL shall alter capital structure other than alterations pursuant to commitments, obligations or arrangements subsisting prior to the Appointment Date either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by



any decrease reduction, reclassification sub-division consolidation, reorganisation or in any other manner which may in any way affect the share exchange ratio prescribed hereunder except by the consent or the board or Directors of both the PEL and SIL. It is hereby clarified that the Resulting Company is hereby permitted to alter its share capital to give effect to the provisions of this Scheme without the consent of the Board of Directors of PEL.

24. CANCELLATION

- 24.1 Upon the Scheme coming into effect, and upon implementation of Clause 20 hereinabove, all the equity shares of the Resulting Company held by the De-merged Company (directly and/or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment be made in cash or in kind whatsoever by the Resulting Company to the De-merged Company in lieu of such shares of the Resulting Company. For avoidance of doubt, it is clarified that the reduction in the share capital of the Resulting Company pursuant to such cancellation shall be effected as an integral part of this Scheme and Section 66 of the Act shall not apply to the Resulting Company to effectuate such reduction of capital.



PART D

GENERAL TERMS AND CONDITIONS

25. CONDITIONALITY OF THE SCHEME

- 25.1 The effectiveness of this Scheme or any Part thereof, is conditional upon and subject to the following:
- (a) this Scheme being approved by the requisite majorities of such classes of shareholders and creditors of the De-merged Company and Resulting Company as may be required under Applicable Laws or as may be directed by the Tribunal;
 - (b) receipt of an 'Observation Letter' or a 'No-objection Letter' from the designated stock exchange on the Scheme, as required under Applicable Laws;
 - (c) the Scheme being approved by the public shareholders of the De-merged Company through e-voting in accordance with the provisions of the SEBI Scheme Circulars. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of the Securities Contracts (Regulations) Rules, 1957;
 - (d) the Scheme being sanctioned by the Tribunal in terms of Section 230 to Section 232 and other relevant provisions of the Act;
 - (e) the receipt of such other approvals including approvals of any Governmental Authority as may be necessary under Applicable Laws or under any material contract to make this Scheme or the relevant Part of this Scheme effective; and
 - (f) the certified copies of the sanctioned order of the Tribunal approving this Scheme being filed with the jurisdictional Registrar of Companies by each of the relevant Companies.



- (g) this Scheme, although to come into legal operation from the Appointed Date, shall not become effective until the date on which the last of the aforesaid approvals, sanctions and filings as mentioned in this Clause has been obtained, passed or filed.

25.2 Each part in the Section of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. However, failure of any one part of the one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities shall not result in the whole Scheme failing, It shall be open to the concerned Board to consent to severing such part(s) of the Scheme and implement the rest of the Scheme as approved by the Tribunal with such modification.

26. MODIFICATIONS / AMENDMENTS TO THE SCHEME

26.1 The Companies, acting through their respective Board of Directors or committees or such other person or persons, as the respective Board of Directors may authorize, may assent to any modifications or amendments to this Scheme, in any manner including for the avoidance of doubt any Part thereof, which the Tribunal, SEBI and/or any other Governmental Authorities may deem fit to direct or impose, or which may otherwise be considered necessary or desirable in the absolute discretion of the respective Board of Directors or committees thereof or such other person or persons of the Participating Companies as the respective Board of Directors may authorize, for settling any question or doubt or difficulty that may arise in implementing and/or carrying out this Scheme. The Companies, acting through their respective Boards of Directors, be and are hereby authorized to take all 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 any orders of the Tribunal or of any directive or orders of SEBI or any other Governmental Authorities or otherwise howsoever, arising, out of, under,



or by virtue of this Scheme and/or any matters related to or connected therewith.

- 26.2 If, at any time, before or after the Effective Date, any provision(s) or Part(s) of this Scheme are found to be, or interpreted to be, invalid or illegal or inconsistent with any Applicable Law(s), or rejected, or unreasonably delayed, or not sanctioned by the Tribunal or is or becomes unenforceable, under present or future Applicable Law(s), or due to any change in any Applicable Law(s), then it is the intention of the Companies that such Part(s) shall be severable from the remainder of this Scheme and subject to Clause 26.1 other Parts/provisions of this Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to any of the Companies in the sole opinion of the Board of Directors of the relevant Companies. In such a case, the Companies, acting through their respective Boards of Directors or committees or such other person or persons, as the respective Board of Directors may authorize, may at their discretion, either bring about such modification in this Scheme, as is likely to best preserve for the relevant Companies, the benefits and obligations of this Scheme and/or withdraw the Scheme or any Part thereof, wholly or partially.
- 26.3 The Companies, acting through their respective Board of Directors or committees or such other person or persons, as the respective Board of Directors may authorize, shall be at the liberty to withdraw this Scheme, including for the avoidance of doubt any Part(s) thereof, in any manner, at any time as may be mutually agreed between them prior to the Effective Date. In such a case, each of the Companies shall respectively bear their own cost or as may be mutually agreed. In the event any Part(s) or provision(s) of this Scheme are withdrawn and the Participating Companies decide to implement the remaining Part(s) or provision(s) of this Scheme, to the extent of such withdrawn provision(s), this Scheme



shall become null and void and no rights or liabilities whatsoever shall accrue to, or incurred by, the relevant Companies, their respective shareholders and/or creditors and/or any other persons with respect to such provisions or Part(s) of the Scheme. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, any one of the company shall not be entitled to withdraw the Scheme unilaterally: (a) without the prior written consent of the other company; or (b) unless such withdrawal is in accordance with written agreement entered into between the Companies, if any.

27. EFFECT OF NON-RECEIPT OF APPROVALS / SEVERABILITY

27.1 In the event any of the sanctions, consents or approvals referred to in Clause 25 above are not obtained or received and/or the Scheme, or any Part(s) thereof, has not been sanctioned by the Tribunal the Board of Directors of each of the Companies, shall, by mutual agreement, determine whether:

- (a) this Scheme shall stand revoked and cancelled in entirety and shall 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 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 under Applicable Laws and in such event, each Company shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme; or
- (b) such Part shall be severable from the remainder of the Scheme and the remainder of the Scheme shall not be affected thereby, unless the deletion of such Part shall cause the Scheme to become materially adverse to any Company, in which case both the Companies, (acting through their respective Board of Directors or committees or such other person or persons, as the respective Board of Directors may authorize) shall attempt



to bring about a modification in the Scheme, as will best preserve for the Participating Companies, the benefits and obligations of this Scheme, including but not limited to such Part. Provided, however, that no modification to the Scheme shall be made which adversely affects the rights or interests of the creditors, without seeking their approvals.

28. APPLICATIONS

- 28.1 The Companies shall make applications and/or petitions under Sections 230-232 and other applicable provisions of the Act to the Competent Authority for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.
- 28.2 Upon this Scheme becoming effective, the shareholders and the creditors of the Companies shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the specific provisions contained in this Scheme. The Companies shall also make all other necessary applications before the Competent Authority for sanction of this Scheme.
- 28.3 The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any appropriate authority, if required, under any Applicable Law *inter-alia* including SEBI Regulations, for such consents and approvals, as agreed between the Companies, which the Companies may require to effect the transactions contemplated under this Scheme, in any case subject to the terms as may be mutually agreed between the Companies.

29. COMPLIANCE WITH LAWS

- 29.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Sections 230 to 232 read with Section 66 and other applicable provisions of the Act, for the purpose of De-merger of the De-merged Undertaking of the De-merged Company and vesting of the same



into the Resulting Company; and other actions incidental or connected therewith.

- 29.2 This Scheme has been drawn up to comply with the conditions relating to (a) “de-merger” as defined under Section 2(19AA) and 2(1B) of the IT Act, respectively.
- 29.3 The Companies undertake to comply with all Applicable Laws, including all applicable compliances required by the SEBI and the Stock Exchanges *inter-alia* including SEBI Scheme Circular and SEBI Regulations, and all applicable compliances required under the Foreign Exchange Management Act, 1999, if any, including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the Central Government, RBI (if required) or any other statutory or regulatory authority, which by Applicable Law may be required for the implementation of this Scheme.
- 29.4 In relation to Part B of the Scheme, the De-merged Company and the Resulting Company shall ensure necessary compliances and fulfillment of conditions, more particularly in terms of the SEBI Regulations as defined in the Scheme and applicable IFSC regulations. For the avoidance of doubt, the De-merged Company and the Resulting Company shall ensure that all necessary compliances, filing requirements, applications, consents, approvals, intimations, as may be applicable shall be fulfilled by the De-merged Company and the Resulting Company, for the purpose of transfer of infrastructure relating to De-merged Undertaking viz. client/customer accounts, KYC documentation and records, fixed deposit accounts, bank guarantees, leased lines, co-location racks, softwares, in house/ empaneled vendors, NNF permission and license, cash securities and collaterals, bank and demat accounts, etc. and for the purpose of IFSC regulations.



30. **CAPITAL AND DIVIDENDS**

- 30.1 Nothing in this Scheme shall be interpreted to restrict the ability of any of the Companies to declare and/or pay dividends, whether interim and/or final or issue bonus shares, to their respective shareholders prior to the Effective Date.
- 30.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the respective Companies, and if applicable as per the provisions of the Act, shall also be subject to the approval of the shareholders of the relevant Company or Companies.
- 30.3 Nothing in this Scheme shall be interpreted to restrict the ability of any of the Companies to raise capital or funds whether by way of equity or debt, in any manner whatsoever, at any time prior to the Effective Date.

31. **INDEMNITY**

- 31.1 De-merged Company shall indemnify and hold harmless the Resulting Company and its directors, officers, representatives, partners, employees, agents and its associated entities (collectively the “**Indemnified Persons**”) for losses, liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by the Indemnified Persons which may devolve on Indemnified Persons on account of the Scheme but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed between De-merged Company and Resulting Company.



32. RESOLUTIONS

- 32.1 Upon the coming into effect of the Scheme, the resolutions, if any, of the De-merged Company relating to any powers to borrow, make investments, give loans, give guarantees, etc. Approved under the provisions of the Act or any other applicable statutory provisions, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company and the amounts under such resolutions shall be added to the amounts under like resolutions passed by the Resulting Company or shall become the amounts available to the Resulting Company as if the resolutions were passed by the Resulting Company.
- 32.2 It is clarified that the consent of the members of the De-merged Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the transactions contemplated under the Scheme, and no further resolution under any other applicable provisions of the Act, including Section 188 of the Act, would be required to be separately passed.

33. REMOVAL OF DIFFICULTIES

- 33.1 De-merged Company and Resulting Company through mutual consent and acting through respective Boards, jointly and as mutually agreed in writing may:
- (a) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders or Tribunal or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to



the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and

- (b) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

33.2 In case of any question that may arise as to whether a specific asset or liability or employee pertains or does not pertain to the De-merged Undertaking or whether it arises out of the activities or operations of the De-merged Undertaking, the same shall be decided by a mutual agreement between the Board (or any committee constituted by the Board to deal with the matters in relation to the Scheme) of the De-merged Company and Resulting Company.

34. RESIDUAL PROVISIONS

34.1 Upon this Scheme becoming effective, the accounts of the De-merged Company and Resulting Company, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

35. WRONG POCKET ASSETS

35.1 If any part of the De-merged Undertaking is not transferred to the Resulting Company on the Effective Date pursuant to the Scheme, the De-merged Company shall take actions as may be reasonably required to ensure that such part of the De-merged Undertaking is transferred to the Resulting Company promptly and for no further consideration. The De-merged Company shall bear all costs and expenses as may be incurred, for giving effect to this Clause.

35.2 If the De-merged Company realizes any amounts after the Effective Date that form part of the De-merged Undertaking it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the De-merged Undertaking, for the period prior to



the Effective Date, but received after the Effective Date, relate to the De-merged Undertaking shall be paid to the Resulting Company for no additional consideration. If Resulting Company realizes any amounts after the Effective Date that pertains to the Real Estate Business and Cut & Polished Diamonds Business of the De-merged Company, Resulting Company shall immediately pay such amounts to the De-merged Company.

36. SEVERABILITY

36.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Companies in writing, affect the validity or implementation of the other parts and/or provisions of this Scheme.

36.2 Subject to Clause 36.1 above, if any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, the same shall not, subject to the decision of the Boards of the De-merged Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

37. COSTS, CHARGES & EXPENSES

37.1 Subject to the provisions of this Scheme, the De-merged Company shall bear all costs, charges, expenses, stamp duty, registration charges and other transfer charges in relation to or in connection with or incidental to the Scheme.



Schedule 1 : Balance Sheet relating to the Demerged Undertaking

The details of Assets and Liabilities of the Demerged Undertaking as on March 31, 2024 that are being transferred are following: -

(Rs. In Lakhs)

Particulars	March 31 st ,2024	Particulars	March 31 st ,2024
Liabilities	Amount	Assets	Amount
Share Capital & Reserves	298.47	Loans and Deposits	109.00
Trade Payable	188.04	Stock in Trade	186.63
		Trade Receivable	190.88
Amount	486.51	Amount	486.51



Schedule 2 : Balance Sheet relating to the Remaining Undertaking

The details of Assets and Liabilities of the Remaining Undertaking as on March 31, 2024 that are being transferred are following: -

(Rs. In Lakhs)

Particulars	March 31 st ,2024	Particulars	March 31 st ,2024
Liabilities	Amount	Assets	Amount
Share Capital & Reserves	1154.78	Property, Plant and Equipment	22.26
Other Financial Assets	93.89	Investments	2.58
Trade Payable	9.68	Loans and Deposits	430.07
Other Current Liabilities	10.05	Cash and Cash Equivalents	8.82
		Other Current Assets	7.38
		Stock in Trade	186.64
		Trade Receivable	610.65
Amount	1268.4	Amount	1268.4

The Assets and Liabilities of the Jewellery Division has been arrived on the basis on balances appearing as on March 31st, 2024 in the audited financial statement of the company and will undergo changes on the effective date of Implementation of the proposed scheme on account of actual balances of Assets and Liabilities of Jewellery Division as at the appointed date of 1st April 2024

