

**SCHEME OF ARRANGEMENT****BETWEEN****NURTURE AGTECH LIMITED****(DEMERGED COMPANY)****AND****UPL SUSTAINABLE AGRI SOLUTIONS LIMITED****(RESULTING COMPANY)****AND****THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013 READ WITH RELEVANT RULES OF THE COMPANIES  
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

**PREAMBLE**

This Scheme (as defined hereinafter) between Nuture Agtech Limited ('Nuture' or 'the Demerged Company') and UPL Sustainable Agri Solutions Limited ('UPL SAS' and 'the Resulting Company') and their respective shareholders is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and also read with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961.

This Scheme provides for the demerger of the Demerged Undertaking (as defined hereinafter) from the Demerged Company into the Resulting Company. Upon the Scheme becoming effective, no shares will be issued/allotted under the Scheme by the Resulting Company since the Demerged Company is a wholly owned subsidiary of the Resulting Company.

**PART I****(A) BACKGROUND OF THE COMPANIES:****(a) Nuture Agtech Limited ("Nuture" or "Demerged Company")**

Nuture Agtech Limited was incorporated on 27<sup>th</sup> December, 2019 in the name and style of "AFS Agtech Private Limited" under the provisions of the Companies Act, 2013 in the state of Maharashtra vide Certificate of Incorporation issued by the Registrar of Companies,



Maharashtra, Mumbai (CIN: U01100MH2019PLC335151). The name was changed to Nurture Agtech Private Limited with effect from 11<sup>th</sup> January, 2021. Subsequently, Nurture was converted into a public company with effect from 31<sup>st</sup> October, 2023 and accordingly, the name was changed to its present name i.e. "Nurture Agtech Limited". The registered office of Nurture is situated at Uniphos House, C.D. Marg, 11th Road, Khar West, Mumbai - 400052, in the state of Maharashtra. It is primarily engaged in business of providing sustainable farming, crop management solutions and marketplace for agricultural and other allied inputs through the use of digital technology.

**(b) UPL Sustainable Agri Solutions Limited ("UPL SAS" or "Resulting Company")**

UPL Sustainable Agri Solutions Limited was incorporated on 03<sup>rd</sup> August, 2010 under the provisions of the erstwhile Companies Act, 1956 in the state of Maharashtra vide Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Mumbai (CIN: U01403MH2010PLC312849). The registered office of UPL SAS is situated at Uniphos House, C. D. Marg, 11th Road, Khar West, Mumbai - 400052, in the state of Maharashtra. It is primarily engaged in the business of manufacturing and sale of agri-solutions such as formulated crop protection, crop treatment, bio-solutions and seed treatment within India.

As on the date of approval of the Scheme by the Board of Directors of the Demerged Company and the Resulting Company, the Demerged Company is a wholly owned subsidiary of Resulting Company.



**(B) RATIONALE FOR THE SCHEME OF ARRANGEMENT:**

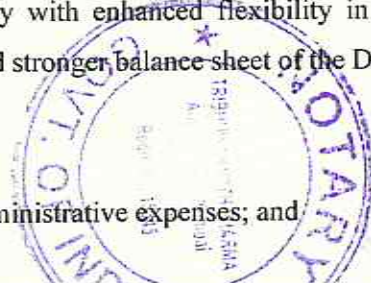
- (a) The operations of the Demerged Company are currently divided into two main business verticals which are Farm Business (as defined hereinafter) and Retail Business (as defined hereinafter).
- (b) Farm Business offers farmer facing solutions such as mechanization services, insurance services and sustainability related services. Mechanization services comprising of spraying services, exclusively uses the products marketed by the Resulting Company. Further, for undertaking spraying services there is a team of operators and managers of the Farm Business who work on the field for ensuring that the spray machines are present in the right locations to maximize spraying opportunity. In order to optimize spraying services there must be close coordination between farmers, retailers/distributors and the sales team of the Resulting Company to get required information on crop, season, products etc. It also offers insurance services to farmers such as yield insurance, price guarantee, personal accidental insurance through products marketed by the Resulting Company. It also offers two programs namely sugarcane and AWD paddy – which help promote sustainable sugar and paddy production.





Farm Business works exclusively with the Resulting Company and its services are available through the farm app.

- (c) Retail Business is an independent B2B marketplace platform for agri inputs like insecticides, herbicides, farm equipment etc. It is a multi brand platform which ships directly to the retailer and does not exclusively work with the Resulting Company .
- (d) The nature of risk, competition, challenges, opportunities and business methods for the Farm Business and Retail Business are separate and distinct. Each of the varied businesses carried out by the Demerged Company have significant potential for growth and profitability independently.
- (e) Considering the above, the management of the Demerged Company and the Resulting Company have examined the strengths of combining the Farm Business and the potential commercial and other synergies of the same under the present Scheme and hence proposed to segregate the Demerged Undertaking (comprising of the Farm Business) to the Resulting Company. The demerger of the Farm Business of the Demerged Company into the Resulting Company will, *inter alia*, result in the following benefits:
  - (i) Would enable consolidation of Farm Business with the Resulting Company and assist in carrying on the same more efficiently and effectively;
  - (ii) Allow the Demerged Undertaking to benefit and scale through better co-ordination between the sales team of the Resulting Company and the operations team of the Demerged Company. As the Demerged Undertaking works exclusively with the Resulting Company, the demerger would create an attractive value proposition offering a distinctive edge over competition to the Resulting Company.
  - (iii) Under a fast changing and highly competitive environment, the demerger shall strengthen the business of the Demerged Undertaking and of the Resulting Company, by pooling up resources for common purpose;
  - (iv) Rationalization of the management structure leading to streamlining of the operations structure of the Demerged Undertaking and the Resulting Company to achieve better economies of scale on account of efficiencies in operations and management of the businesses resulting in cost savings across various business functions;
  - (v) The demerger will enable the future business activities to be carried on more conveniently and advantageously with enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the Demerged Company and the Resulting Company;
  - (vi) Elimination of duplication of administrative expenses; and



- (vii) Provide a higher degree of flexibility to evaluate independent business opportunities as well as attract the right set of investors, strategic partners, lenders and other stakeholders for the businesses of the Demerged Company and the Resulting Company, respectively post coming into effect of the Scheme.
- (f) The proposed demerger shall also benefit all the shareholders, creditors, employees and other stakeholders and shall enable the Demerged Company and the Resulting Company to achieve and fulfill its objectives more efficiently and economically.

**(C) TREATMENT OF THE SCHEME FOR THE PURPOSE OF THE INCOME-TAX ACT, 1961**

Upon the Scheme coming into effect, the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961. If any of the term(s) or provision(s) of this Scheme is/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 the provisions of Section 2(19AA) of the Income-tax Act, 1961. Such modifications will, however, not affect the other parts of the Scheme.

**(D) PARTS OF THE SCHEME**

Though this Scheme is divided into various parts for the purpose of convenience, it is to be implemented as a single, inseparable and comprehensive Scheme. The Scheme is divided into the following parts:

- a) **Part I** deals with the background of the Companies and the rationale of the Scheme;
- b) **Part II** deals with the definitions; interpretation; date of taking effect and operative date and the share capital of the Companies;
- c) **Part III** deals *inter alia* with the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and pursuant to Sections 230 to 232 and other applicable provisions of the Act, as may be applicable; and
- a) **Part IV** deals with the general terms and conditions that would be applicable to this Scheme.



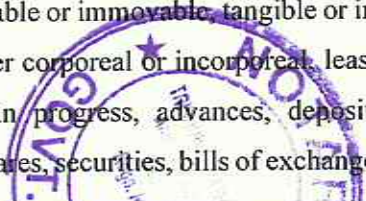


## PART II

### 1. DEFINITIONS

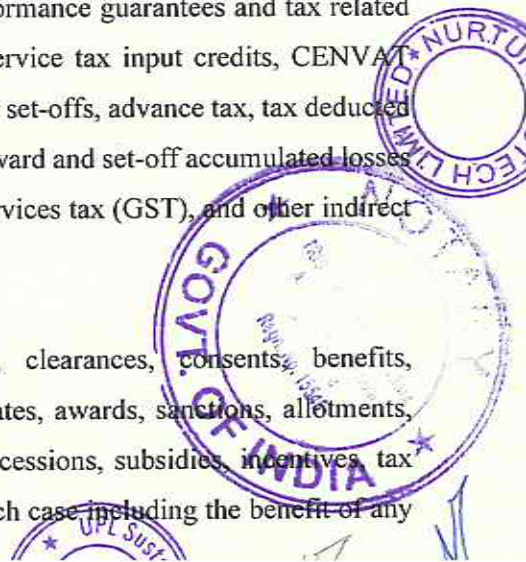
In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act”** means the Companies Act, 2013 and rules made there under and the circulars issued by Ministry of Corporate Affairs as may be applicable, including any statutory modification, re-enactments or amendments thereof for the time being in force;
- 1.2 **“Applicable Laws”** mean any statute, notification, byelaws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force in India;
- 1.3 **“Appointed Date”** means 1<sup>st</sup> April, 2024, or any other date as may be approved by the NCLT;
- 1.4 **“Appropriate Authority” or “Governmental Authority”** means and includes any applicable Central, State or Local Government, legislative body, regulatory or administrative authority, Registrar of Companies, Regional Director, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction on behalf of the Republic of India or any state or province or other political subdivision thereof or any municipality, district or other subdivision thereof over Demerged Company or Resulting Company, as the context may require;
- 1.5 **“Board of Directors” or “Board”** means the respective Board of Directors of each of the Companies under the Scheme and shall include any committee or sub-committee of Directors thereof constituted or appointed and authorized for the purposes of matters pertaining to this Scheme and or any other matter relating thereto;
- 1.6 **“Companies”** means collectively the Demerged Company and the Resulting Company;
- 1.7 **“Demerged Company”** means ‘Nurture Agtech Limited’ or ‘Nurture’, having CIN: U01100MH2019PLC335151, a company incorporated under the provisions of Companies Act, 2013 and having its registered office at Uniphos House, C.D. Marg, 11th Road, Khar West, Mumbai - 400052, Maharashtra, India;
- 1.8 **“Demerged Undertaking”** shall include all the businesses, undertakings, activities, operations and properties, of whatsoever nature and kind and wheresoever situated, forming part of the ‘Farm Business’ of the Demerged Company as a going concern, including but not limited to the following:
  - a) All assets and properties, whether movable or immovable, tangible or intangible (including intangible under development), whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, capital work in progress, advances, deposits, sundry debtors, inventories, cash and bank balances, shares, securities, bills of exchange, other fixed assets,



trademarks, loans, inventory and work in progress wherever situated pertaining to the 'Farm Business';

- b) All liabilities, present and future, corporate guarantees issued and the contingent liabilities pertaining to or relatable to the Farm Business, including the debts of the Demerged Company arising out of the activities or operations of the Farm Business and any other specific loans and borrowings utilized by the Demerged Company for the activities or operations of or pertaining to the Farm Business; and
- c) Without prejudice to the generality of the above, the Demerged Undertaking shall include in particular:
  - (i) Immovable property and rights thereto, i.e., land, together with buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise), buildings, warehouses, offices, etc. if any, which form a part of the Farm Business and all documents (including declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties, if any;
  - (ii) All assets, as are moveable in nature, whether present or future or contingent, tangible or intangible (including intangible under development), in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, etc.), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities / branches pertaining to the Farm Business, outstanding loans and advances, recoverable in cash or kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other Appropriate Authorities and bodies, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets and credits, including but not limited to service tax input credits, CENVAT credits, value added / sales tax / entry tax credits or set-offs, advance tax, tax deducted at source, tax collected at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, goods and services tax (GST), and other indirect taxes and tax refunds, as may be applicable;
  - (iii) All permits, licenses, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, incentives, tax deferrals and exemptions and other benefits (in each case including the benefit of any





applications made for the same), income tax benefits, deductions and exemptions, liberties and advantages and other licenses or clearances, granted / issued / given by any Appropriate Authorities, organizations or companies for the purpose of carrying on the Farm Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Farm Business;

(iv) All rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts, agreements, guarantees, purchase orders / service orders, operation and maintenance contracts, memoranda of understandings, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, lease / license agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier / manufacturer of goods / service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances, arrangements and other instruments of whatsoever nature and description, or other similar rights or entitlements whatsoever, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder forming part of the Farm Business;

(v) All intellectual property rights, applications (including hardware, software, licenses, source codes), registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles (including intangible under development), permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, confidential information and other benefits (in each case including the benefit of any applications made for the same) that form part of the Farm Business;

(vi) All rights to use and avail telephones, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company forming part of the Farm Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and forming part of the Farm Business;

(vii) All books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manual, data, databases including databases for procurement, commercial



and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, list of present and former customers and suppliers including service providers, other customer information, customer credit information, customer / supplier pricing information, and all other books and records, whether in physical or electronic form that form part of the Farm Business;

(viii) Any and all earnest monies and / or security deposits, or other entitlements in connection with or relating to Farm Business;

(ix) All employees of the Demerged Company employed in and / or relatable to the Farm Business as on the Effective Date; and

(x) All legal or other proceedings of whatsoever nature that form part of the Farm Business.

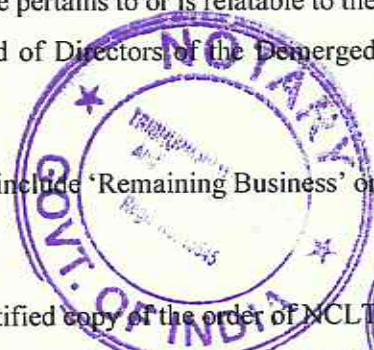
For the purposes of the definition of the Demerged Undertaking and this Scheme, it is clarified that liabilities pertaining to or relating to the Farm Business shall mean:

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

Any issue as to whether any asset or liability and / or employee pertains to or is relatable to the Demerged Undertaking or not shall be decided by the Board of Directors of the Demerged Company.

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

- 1.9 **“Effective Date”** means the last of the dates on which the certified copy of the order of NCLT sanctioning this Scheme is filed with the Registrar of Companies, Maharashtra, Mumbai by the Demerged Company and the Resulting Company. References in this Scheme to **“coming into effect of this Scheme”** or **“effectiveness of the Scheme”** or **“upon the Scheme becoming effective”** shall mean the Effective Date.

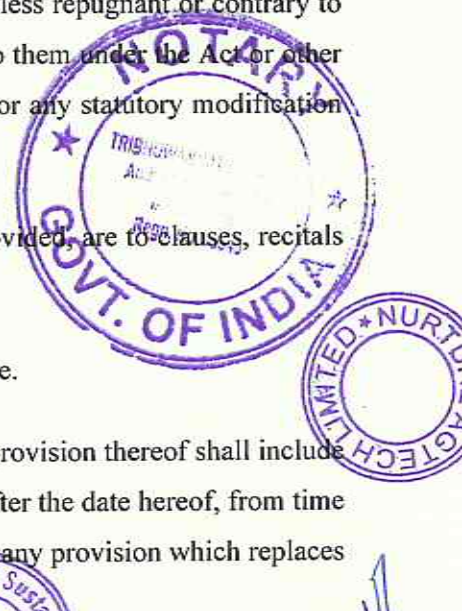




- 1.10 **"Employee Stock Option Plan"** means Nuture Employee Stock Option Scheme 2022, which has been approved by the Board of Directors of the Demerged Company on 13<sup>th</sup> January, 2022.
- 1.11 **"Farm Business"** means the business of the Demerged Company which offers farmer facing solutions such as mechanization services, insurance services and sustainability related services.
- 1.12 **"Remaining Business" or "Remaining Undertaking"** means all the undertakings, businesses, activities, operations, assets and liabilities of the Demerged Company other than the Demerged Undertaking and includes all other business units, divisions (including the Retail Business) and their respective assets and liabilities including a portion of general or multi-purpose borrowings, contracts and employees not allocated to the Demerged Undertaking of the Demerged Company.
- 1.13 **"Resulting Company"** means UPL Sustainable Agri Solutions Limited, having CIN: U01403MH2010PLC312849, a company incorporated under provisions of the erstwhile Companies Act, 1956 and having its registered office at Uniphos House, C. D. Marg 11th Road, Khar West, Mumbai, Mumbai - 400052, Maharashtra, India.
- 1.14 **"Retail Business"** means a business of the Demerged Company which acts a market place for B2B sale of agrochemicals, seeds and other agriculture related and allied products to retailers and distributors.
- 1.15 **"ROC"** means Registrar of Companies, Maharashtra, Mumbai having jurisdiction over the Demerged Company and the Resulting Company.
- 1.16 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement among the Companies and their respective shareholders, in accordance with the provisions hereof and pursuant to the provisions of Sections 230-232 and other relevant provisions of the Act.
- 1.17 **"The Tribunal" or "NCLT"** means the National Company Law Tribunal, Mumbai Bench, having jurisdiction over the Demerged Company and the Resulting Company.

## 2. INTERPRETATION

- 2.1 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act or other Applicable Laws, rules, regulations, byelaws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 2.2 References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- 2.3 The headings herein shall not affect the construction of this Scheme.
- 2.4 Unless context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces



it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

- 2.5 The singular shall include the plural and vice versa; and references to one gender shall include all genders.
- 2.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the word preceding those terms.

### 3. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

### 4. SHARE CAPITAL

- 4.1 The share capital of the Demerged Company as on 31<sup>st</sup> March 2024, is as under: -

Share Capital	Indian Rupees
<b><u>Authorized Share Capital</u></b>	
60,00,000 Equity Shares of Rs. 100/- each	60,00,00,000
<b>Total</b>	<b>60,00,00,000</b>
<b><u>Issued, subscribed and paid-up Share Capital</u></b>	
50,10,000 Equity Shares of Rs. 100/- each, fully paid-up	50,10,00,000
<b>Total</b>	<b>50,10,00,000</b>

Subsequent to the above mentioned date and till such date the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company.

Demerged Company has 64,444 outstanding employee stock options under the Employee Stock Option Plan as on 31<sup>st</sup> March, 2024.

- 4.2 The share capital of the Resulting Company as on 31<sup>st</sup> March 2024 is as under:

Share Capital	Indian Rupees
<b><u>Authorized Share Capital</u></b>	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b><u>Issued, subscribed and paid-up Share Capital</u></b>	
56,36,796 Equity Shares of Rs. 10/- each, fully paid-up	5,63,67,960



Share Capital	Indian Rupees
Total	5,63,67,960

Subsequent to the above mentioned date and till such date 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 share capital of the Resulting Company.



147

### PART III

#### 5. DEMERGER OF THE DEMERGED UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

5.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking shall be demerged from the Demerged Company and be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party in accordance with the provisions of Sections 230 to 232 and other relevant provision of the Act and the order of the NCLT sanctioning the Scheme.

5.2 Without prejudice to the generality of the above, in particular, the Demerged Undertaking shall stand transferred to and vested in the Resulting Company, in the manner described in sub-clause (a) – (k) below:

(a) Upon coming into effect of this Scheme and with effect from the Appointed Date, such assets and properties of the Demerged Company relating to the Demerged Undertaking, as are movable in nature and / or otherwise capable of transfer by manual or constructive delivery and / or endorsement and delivery shall be deemed to be transferred to and vested in the Resulting Company, wherever such assets may be located, and shall become the assets and properties of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(b) Upon coming into effect of this Scheme and with effect from the Appointed Date, all immovable properties, if any, (including land, building and any other immovable property) of the Demerged Undertaking of the Demerged Company, whether freehold or leasehold or leave and licensed, and any documents of title, rights and easements in relation thereto, shall automatically stand transferred to and vested in the Resulting Company without the requirement of execution of any further documents or instruments of conveyance for registering the name of the Resulting Company as the owner thereof. With effect from the Effective Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The Demerged Company shall, as may be applicable, take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title interest of its immovable property is given to the Resulting Company.

(c) Upon coming into effect of this Scheme and with effect from the Appointed Date, all assets of the Demerged Undertaking that are movable properties, other than those described under sub-clause (a) above, including investments in shares and any other securities, outstanding loans and advances, security deposits, if any, recoverable in cash or in kind or for value to be



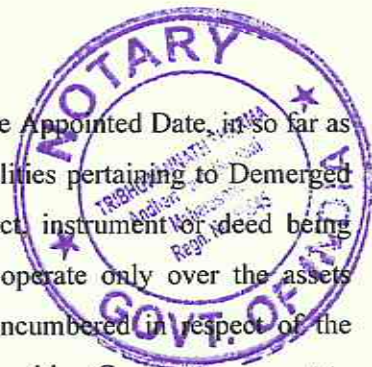
received, bank balances and deposits, if any, with Governmental Authorities, shall, without any further act or deed, become the property of the Resulting Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.

- (d) Upon coming into effect of this Scheme and with effect from the Appointed Date, assets such as intangible assets, actionable claims, sundry debtors, etc, shall be deemed to have been transferred to Resulting Company. The Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the effectiveness of the Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Demerged Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.
- (e) Upon coming into effect of this Scheme and with effect from the Appointed Date, all rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts, agreements, guarantees, purchase orders / service orders, operation and maintenance contracts, memoranda of understandings, memoranda of agreements, memoranda of agreed points, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, lease / license agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier / manufacturer of goods / service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, or other similar rights or entitlements whatsoever, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder forming part of the Farm Business stand transferred, assigned and novated to the Resulting Company.
- (f) Upon coming into effect of this Scheme and with effect from the Appointed Date, all patents, patent rights applications, trademarks, trade names, content, software, manuals, copyrights and other industrial properties and rights of any nature whatsoever, whether pending registration or not and whether under any ongoing litigation or not, licenses, assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephones and other communication facilities, connections, equipment and installations, utilities, electricity and electronic devices and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by the Demerged Company in relation to the Demerged Undertaking, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., benefits of any agreement to sell of immovable properties sold or purchased by the Demerged Company in relation to the Demerged Undertaking, and all other rights, interests, claims and powers of every kind, nature and description of and arising to them, cash and bank balances, all earnest monies and/ or



deposits including security deposits paid by the Demerged Company, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company and relatable to the Demerged Undertaking, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Resulting Company.

- (g) Upon coming into effect of this Scheme and with effect from the Appointed Date, any statutory licenses, permissions or approvals or regulatory licenses or product licenses or no objection certificates or registrations or any grants/ exemptions received or consents held by the Demerged Company required to carry on operations of the Demerged Undertaking shall stand transferred to and vested in the Resulting Company. The benefit of all statutory and regulatory permissions, approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme.
- (h) Upon coming into effect of this Scheme and with effect from the Appointed Date, all income, expenses, debts, liabilities, whether known or unknown, including, without limitation, all secured and unsecured debt, sundry creditors, contingent liabilities, duties, obligations and undertakings of the Demerged Company in relation to the Demerged Undertaking, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for its business activities and operations, shall, be transferred to, and vested in, or be deemed to have been transferred to and vested in the Resulting Company and shall be assumed by the Resulting Company to the extent they are outstanding as on the Effective Date so as to become, as on and from the Appointed Date, the income, expenses, liabilities, debts, duties and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company, and the Resulting Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.
- (i) Upon coming into effect of this Scheme and with effect from the Appointed Date, in so far as the encumbrances, if any, are concerned in respect of the liabilities pertaining to Demerged Undertaking, such encumbrances shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been encumbered in respect of the liabilities of the Demerged Undertaking as transferred to the Resulting Company pursuant to this Scheme. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrances over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company shall provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance.





The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- (j) Upon coming into effect of this Scheme and with effect from the Appointed Date, all taxes (including income tax, sales tax, excise duty, service tax, VAT, CGST, IGST, SGST, GST Compensation Cess, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, CGST, IGST, SGST, etc.) whether by way of deduction at source, collection at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits from activities of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- (k) Upon coming into effect of this Scheme and with effect from the Appointed Date, all assets, rights, title, interests and authorities accrued to and, or, acquired by the Demerged Company in regard to the Demerged Undertaking after the Appointed Date, shall be deemed to have been accrued to and, or, acquired for and on behalf of the Resulting Company and shall, upon this Scheme becoming effective, pursuant to the provisions of the Act, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall become the assets, right, title, interests and authorities of the Resulting Company.
- 5.3 Notwithstanding anything to the contrary contained in the Scheme, it is clarified that all assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records not specifically forming a part of the Demerged Undertaking, shall not be transferred to the Resulting Company and shall continue to be a part of the Demerged Company.
- 5.4 Upon coming into effect of this Scheme, the creditors pertaining to the Demerged Undertaking shall not be entitled to security/ any other right over properties, assets, rights, benefits and interest of the Remaining Business of the Demerged Company.
- 5.5 Upon coming into effect of this Scheme, all policies as may be required by Applicable Law to be adopted by the Resulting Company, and which may have already been adopted by the Demerged Company in accordance with Applicable Laws shall *mutatis mutandis* be deemed to have been adopted by the Resulting Company, without any further act or deed required by the Resulting Company.
- 5.6 If any asset relating to Demerged Undertaking (including but not limited to any rights, title interest in or authorities relating to such asset) which the Demerged Company owns, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall



- (i) Hold such asset in trust for the sole benefit of the Resulting Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company in that regard; and
- (ii) Make reasonable efforts to transfer such asset to the Resulting Company (along with any benefits attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.

5.7 If any liabilities relating to Demerged Undertaking which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company and the Resulting Company shall indemnify the Demerged Company if the said liability is paid by the Demerged Company on behalf of Resulting Company.

5.8 Upon coming into effect of this Scheme, all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manual, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, list of present and former customers and suppliers including service providers, other customer information, customer credit information, customer / supplier pricing information, and all other books and records, whether in physical or electronic form shall be deemed to be transferred to Resulting Company.

## 6. CONSIDERATION

6.1 The Resulting Company (along with its nominees) holds 100% of the issued, subscribed and paid-up share capital of the Demerged Company. Accordingly, the Demerged Company is a wholly owned subsidiary of the Resulting Company.

6.2 Upon the Scheme becoming effective, no shares will be issued/allotted under the Scheme by the Resulting Company.

## 7. ACCOUNTING TREATMENT

### 7.1 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

- (a) Upon the Scheme becoming effective and with effect from the Appointed Date, the book value of assets, liabilities and reserves of the Demerged Company relating to the Demerged Undertaking shall be reduced from the respective balances appearing for such assets and liabilities in the books of the Demerged Company;
- (b) Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking, if any shall stand cancelled and there shall be no further obligation outstanding in that behalf;



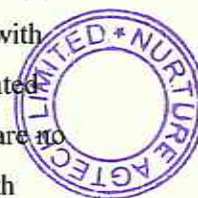
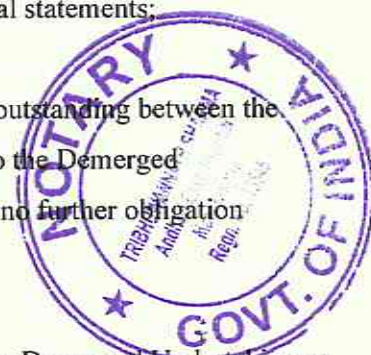


- (c) The difference after taking effect of the above shall be debited/ credited in Capital Reserve account of the Demerged Company.

## 7.2 ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

Upon the Scheme becoming effective, the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company shall be accounted for in the books of the Resulting Company in accordance with the 'Pooling of Interest method' as laid down in 'Appendix C- Business combination of entities under common control' of the Indian Accounting Standard – 103 prescribed under section 133 of the Act as follows:

- (a) Resulting Company shall record the assets, liabilities and reserves pertaining to the Demerged Undertaking at their respective book values as appearing in the books of Demerged Company as at the Appointed Date;
- (b) No adjustments shall be made to reflect the fair values of the assets or liabilities acquired from the Demerged Company or to recognize any new assets or liabilities;
- (c) Identity of the reserves transferred by the Demerged Company attributable to the Demerged Undertaking shall be preserved and vested and shall appear in the financial statements of the Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company prior to the Scheme becoming effective;
- (d) The carrying amount of investments in the shares of the Demerged Company attributable to the Demerged Undertaking, held by the Resulting Company, shall be impaired in the books of the Resulting Company, without any further act or deed;
- (e) Since common control existed prior to the Appointed Date, comparative accounting period presented in the financial statements of the Resulting Company shall be restated for the accounting impact of demerger, as stated above, as if the demerger had occurred from the beginning of the comparative period in the financial statements;
- (f) Loans and advances, receivables, payables, and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking, if any shall stand cancelled and there shall be no further obligation outstanding in that behalf;
- (g) The difference between assets, liabilities and reserves of the Demerged Undertaking as adjusted for the impairment of shares of the Demerged Company in accordance with clauses above shall be recorded as capital reserve (if credit) and should be presented separately from other capital reserves, or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements;



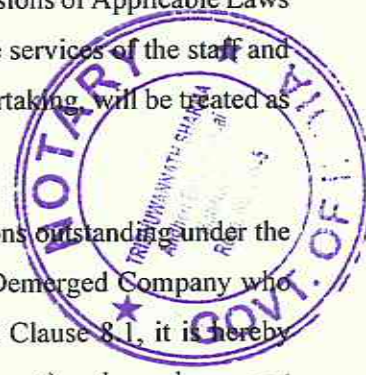


- (h) In case of any differences in the accounting policies between the Demerged Company and the Resulting Company, the impact of the same till the Appointed Date will be quantified and adjusted to the reserves of the Resulting Company to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.

## 8. EMPLOYEES

- 8.1 Upon coming into effect of this Scheme, all of the staffs, workers and employees of the Demerged Company, in relation to Demerged Undertaking, as on the Effective Date shall be deemed to have become the staffs, workers and employees of the Resulting Company without any break or interruption in their services, on same terms and conditions of their employment with the Demerged Company. The Resulting Company further agrees that for the purpose of payment of any retirement benefit/ compensation, such immediate uninterrupted past service with the Demerged Company, as the case may be, shall also be taken into account, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.
- 8.2 It is expressly provided that, on the Scheme becoming effective, the existing funds or benefits including provident fund, gratuity fund, superannuation fund or any other special fund or trusts (collectively referred to as the "Funds"), if any, created or existing for the benefit of the staff and employees of the Demerged Company, in relation to Demerged Undertaking, for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to such Fund or Funds shall become those of the Resulting Company. It is clarified that the Resulting Company shall carry out such steps as may be necessary to register the employees of the Demerged Company, in relation to Demerged Undertaking, with its existing funds or benefits including gratuity trust and provident fund trust or Employee's Provident Fund Organization or any other government provident fund, as per the provisions of Applicable Laws and the same shall be binding on all employees. It is clarified that the services of the staff and employees of the Demerged Company, in relation to Demerged Undertaking, will be treated as having been continuous for the purpose of the said Fund or Funds.
- 8.3 Upon coming into effect of this Scheme, in respect of the stock options outstanding under the Employee Stock Option Plan in the hands of the employees of the Demerged Company who shall become the employees of the Resulting Company pursuant to Clause 8.1, it is hereby clarified that the options which have been granted (whether vested or not) under and pursuant to the Employee Stock Option Plan would continue and be governed as per the existing provisions under the Employee Stock Option Plan of the Demerged Company.

## 9. LEGAL PROCEEDINGS





- 9.1 All legal proceedings of whatsoever nature, whether pending or threatened, by or against the Demerged Company at the Appointed Date and or arising after the Appointed Date till the Effective Date, relating to the Demerged Undertaking of the Demerged Company, as and from the Effective Date, shall be continued and enforced by or against the Resulting Company in the manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. It is clarified that all the rights, claims and obligations of the Demerged Company in respect of any of the legal proceedings pertaining to the Demerged Undertaking, whether such legal proceedings are initiated or not as on the date of approval of the Scheme, shall stand transferred to the Resulting Company with effect from the Appointed Date.
- 9.2 After the Appointed Date till the Effective Date, if any proceedings are taken against the Demerged Company as per Clause 9.1 above, it shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities, cost and obligations incurred by the Demerged Company in respect thereof.
- 9.3 After the Effective Date, if any proceedings are taken or continued against the Demerged Company in respect of Demerged Undertaking carried on by the Resulting Company, the Resulting Company shall defend the same at its own cost; and in respect of the Demerged Undertaking carried on by the Demerged Company after the Effective Date, the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities, cost and obligations incurred by the Demerged Company, if any, in respect thereof.
- 9.4 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 9.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company, after the Effective Date. In the event that the Demerged Company is required to be joined as a necessary party in any such proceedings, the Demerged Company shall be added as a necessary party to enable the Resulting Company to prosecute / defend such proceedings and the Resulting Company shall reimburse and indemnify the Demerged Company against all costs, liabilities and obligations incurred by the Demerged Company, if any, in respect thereof.

## 10. CONTRACTS, GUARANTEES, DEEDS, BONDS, LICENCES AND OTHER INSTRUMENTS

- 10.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature relating to Demerged Undertaking and to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or





in favor of, as the case may be, the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under and the Resulting Company shall be the successor in the interest of the Demerged Company.

- 10.2 Without prejudice to the transfer and vesting of Demerged Undertaking to and in the Resulting Company, the Resulting Company may, at any time after this Scheme becomes effective, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favor of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments relating to Demerged Undertaking. The Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.
- 10.3 For the avoidance of doubt, it is clarified that upon coming into effect of this Scheme, all permits, authorizations, licenses, consents, registrations, approvals, municipal permissions, insurance policies, connections for water, electricity and drainage, sanctions, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant Appropriate Authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), as may be applicable and relating to Demerged Undertaking shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company as if the same were originally given or issued to or executed in favor of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.
- 10.4 It is clarified that if any assets (claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements, license or other instruments of whatsoever nature in relation to Demerged Undertaking, which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company upon effectiveness of this Scheme for any reason whatsoever, the Demerged Company shall hold such asset or any contracts, deeds, bonds, agreements, schemes, arrangements, licenses, or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible to do so till such time as the transfer is effected.
- 10.5 In pursuance of the Scheme, the Demerged Company and the Resulting Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents and enter into such arrangements as may be required for giving effect to this Scheme.
- 10.6 All guarantees provided by the Demerged Company in respect of the Demerged Undertaking shall be valid and subsisting till adequate arrangements / guarantees have been provided in respect of the same by the Resulting Company.



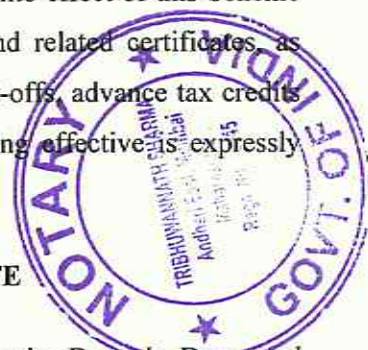


## 11. TAX CREDITS

- 11.1 The benefit of any tax credits whether central, state or local, availed by the Demerged Company and carry forward and set-off of accumulated losses and unabsorbed depreciation, in relation to Demerged Undertaking, and the obligations, if any, for payment of the tax on any assets of the Demerged Company shall be deemed to have been availed by the Resulting Company or as the case may be, deemed to be the obligations of the Resulting Company.
- 11.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by the Demerged Company, in relation to Demerged Undertaking, including all or any refunds/tax credit/claims relating thereto shall be treated as asset/liability or refunds/credit/claims, as the case may be, of the Resulting Company.
- 11.3 All expenses incurred by the Demerged Company under Section 43B of the Income-tax Act, 1961, in relation to and pertaining to the Demerged Undertaking, shall be claimed as a deduction by the Resulting Company and the transfer of the Demerged Undertaking shall be considered as a succession of the business by the Resulting Company. Accordingly, it is further clarified that the Resulting Company shall be entitled to claim deduction under section 43B of the Income-tax Act, 1961 in respect of the unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.
- 11.4 The Resulting Company and the Demerged Company are expressly permitted to revise their tax returns/ forms/ certificate including but not limited to income tax returns, withholding tax returns, IGST / CGST / SGST / GST returns and other tax returns/ forms/ certificates filed with the Appropriate Authorities, even after the expiry of the statutory time limits for filing the same under the Applicable Laws and to claim refunds, advance tax credits, excise and service tax credits, unutilized input tax credit of CGST, IGST, SGST, GST Compensation Cess, set off, etc. on the basis of the accounts of the Demerged Company, in relation to Demerged Undertaking, as vested with the Resulting Company upon coming into effect of this Scheme and its right to make such revisions in the related tax returns and related certificates, as applicable, and the rights to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

## 12. CONDUCT OF THE BUSINESS TILL THE EFFECTIVE DATE

- 12.1 With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company shall carry on the business of Demerged Undertaking with reasonable diligence in the ordinary course of business. The Demerged Company shall not, without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose off, any of the assets of Demerged Undertaking or any part thereof.
- 12.2 With effect from the Appointed Date and up to and including the Effective Date:





- (A) The Demerged Company, in relation to Demerged Undertaking, shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its assets, rights, title, licenses, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Resulting Company;
- (B) All profits and income accruing or arising to the Demerged Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), in relation to Demerged Undertaking, for the period commencing from the Appointed Date and up to and including the Effective Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Resulting Company;
- (C) Any rights, powers, authorities or privileges exercised by the Demerged Company, in relation to Demerged Undertaking, shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Demerged Company, in relation to Demerged Undertaking, shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company;
- (D) All taxes (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.), whether by way of deduction at source, collection at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and, shall, in all proceedings, be dealt with accordingly; and
- (E) The Demerged Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees of Demerged Undertaking, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of the Resulting Company.

12.3 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under Applicable Law for such consents and approvals which the Resulting Company may be required to carry on the business of Demerged Undertaking.

12.4 Post Effective Date, if the Resulting Company is not permitted to carry the Farm Business since any of the license which are necessary to carry the Farm Business is not transferred/ registered



in favor of the Resulting Company, then till the period license is transferred the Demerged Company shall be allowed to carry on the Farm Business on behalf of the Resulting Company and any profits and income accruing or arising to the Demerged Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), in relation to Demerged Undertaking, shall for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Resulting Company.

- 12.5 Notwithstanding anything to the contrary contained in this Scheme, each of the Demerged Company and the Resulting Company shall be able to raise capital as it may deem fit during the period between the approval of the Scheme by the Board of the Companies and the Effective Date, provided that such capital raise shall be subject to compliance of the Applicable Laws.

### **13. REMAINING ACTIVITIES OF THE DEMERGED COMPANY**

- 13.1 The Remaining Business of the Demerged Company and all the assets, liabilities and obligations other than Demerged Undertaking shall continue to belong to and be vested in and be managed by the Demerged Company.
- 13.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged 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 Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings in relation to the Remaining Business.
- 13.3 If proceedings are taken against the Resulting Company in respect of the matters referred to in Clause 13.2 above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost and risk of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities, costs and obligations incurred by the Resulting Company in respect thereof.
- 13.4 With effect from the Appointed Date and up to and including the Effective Date
- (A) The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
- (B) All profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and

- (C) All assets and properties acquired by the Demerged Company in relation to the Remaining Business of the Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

#### **14. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 5 above and the continuance of the proceedings by or against the Resulting Company above shall not affect any transaction or proceedings already concluded by the Demerged Company to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

### **PART IV**

#### **15. APPLICATIONS TO NCLT OR OTHER APPROPRIATE AUTHORITIES**

- 15.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make necessary applications under Section 230 and other applicable provisions of the Act to NCLT or such other Appropriate Authority, where the registered offices of the Demerged Company and the Resulting Company are situated, for seeking order for dispensing with or convening, holding and conducting of meeting of the members and/or creditors of the Demerged Company and the Resulting Company, as may be directed by the NCLT or such other Appropriate Authority for approval of this Scheme and all matters ancillary or incidental thereto.
- 15.2 On the Scheme being approved by the requisite majorities of the members and/or creditors of the Demerged Company and the Resulting Company, whether at a meeting or by consents, as prescribed under Applicable Laws and/or as directed by the NCLT or such other Appropriate Authority, the Demerged Company and the Resulting Company shall, with all reasonable dispatch, apply to the NCLT, for sanctioning of the Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order or orders, as the NCLT or such other authority may deem fit for carrying this Scheme into effect.

#### **16. MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

- 16.1 The Demerged Company and the Resulting Company, by their respective Board of Directors or such other person or persons as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent (on behalf of shareholders,



creditors and other concerned stakeholders) to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Demerged Company and the Resulting Company, by their respective Board of Directors or such other person or persons as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or orders of any other authorities or otherwise, howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any clause of this Scheme, or otherwise, the Board of Directors of the Demerged Company and the Resulting Company will have complete power to take the most sensible interpretation so as to render the Scheme operational.

- 16.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Demerged Company and the Resulting Company may give and are hereby authorized to determine and give all such directions as are necessary, including directions for settling or removing any question of doubt or difficulty that may arise, and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

## 17. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

- 17.1 The effectiveness of this Scheme is and shall be conditional upon and subject to the fulfilment of the following conditions:

- (A) Approval of the Scheme by requisite majority of each class of shareholders and creditors of the Demerged Company and the Resulting Company, as applicable or as may be required under the Act and/or as may be directed by the Tribunal;
- (B) The Scheme being sanctioned by the NCLT under Sections 230 to 232 of the Act;
- (C) Certified copy of the order of the NCLT sanctioning the Scheme being filed with the ROC by the Demerged Company and the Resulting Company, respectively for the demerger;
- (D) The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

## 18. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the conditions referred to in the preceding Clause not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT or such other competent authority and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Demerged Company



and the Resulting Company or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights, liabilities or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each of the Companies shall bear its own costs unless otherwise mutually agreed.

#### **19. REVOCATION, WITHDRAWAL OF THIS SCHEME**

The Board of the Demerged Company and Resulting Company shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if, (a) this Scheme is not being sanctioned by the NCLT or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (b) in case any condition or alteration imposed by the shareholders and / or creditors of the Companies, the NCLT or any other authority is not acceptable to the Board of Directors of the Companies; or (c) the Board of Directors of the Companies are of the view that the coming into effect of this Scheme, in terms of the provisions of this Scheme, or filing of the drawn up order with Appropriate Authority could have adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each of the Companies shall bear its own costs unless otherwise mutually agreed.

#### **20. SEVERABILITY**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and Resulting Company, affect the validity or implementation of the other parts and/ or provisions of this Scheme, unless the deletion of such part shall cause this Scheme to become materially adverse to either the Demerged Company or the Resulting Company, in which case the Demerged Company and the Resulting Company may, through mutual consent and acting through their respective Board of Directors, attempt to bring about appropriate modification to this Scheme, as will best preserve for each of them, the benefits and obligation of this Scheme, including but not limited to such part.

#### **21. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of this Scheme, the resolutions/ power of attorney executed by the Demerged Company in relation to the Demerged Undertaking, as the case may be, as considered necessary by the Board of the Resulting Company in relation to the Demerged Undertaking that are valid and subsisting on the Effective Date, shall continue to be valid and

