



ADITYA BIRLA FASHION AND RETAIL LIMITED

(formerly known as Pantaloons Fashion & Retail Limited)

MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

**MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF
ADITYA BIRLA FASHION AND RETAIL LIMITED**
(formerly known as Pantaloons Fashion & Retail Limited)

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**MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF
ADITYA BIRLA FASHION AND RETAIL LIMITED
(formerly known as Pantaloons Fashion & Retail Limited)**

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प्रारूप 1
पंजीकरण प्रमाण-पत्र

कार्पोरेट पहचान संख्या : U18101KA2007PLC042550

2007 - 2008

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

Peter England Fashions and Retail Limited

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन-पत्र आज दिनांक उन्नीस अप्रैल दो हजार सात को मेरे हस्ताक्षर से बेंगलूर में जारी किया जाता है।

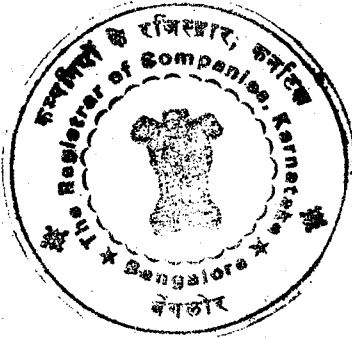
Form 1
Certificate of Incorporation


Corporate Identity Number : U18101KA2007PLC042550

2007 - 2008

I hereby certify that Peter England Fashions and Retail Limited is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given under my hand at Bangalore this Nineteenth day of April Two Thousand Seven.




(V C DAVEY)

कम्पनी रजिस्ट्रार / Registrar of Companies

कर्नाटका
Karnataka



व्यापार प्रारंभ करने का प्रमाण-पत्र
कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कार्पोरेट पहचान संख्या : U18101KA2007PLC042550

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
Peter England Fashions and Retail Limited

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक उन्नीस अप्रैल दो हजार सात को किया गया था और जिसने निर्धारित प्रपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किंथा है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए हकदार है।

यह प्रमाण-पत्र आज दिनांक चौदह मई दो हजार सात को मेरे हस्ताक्षर से बेंगलूर में जारी किया जाता है।

Certificate for Commencement of Business

Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number : U18101KA2007PLC042550

I hereby certify that the Peter England Fashions and Retail Limited which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Nineteenth day of April Two Thousand Seven, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Bangalore this Fourteenth day of May Two Thousand Seven.

Ast

(SAJEEVAN C V)
कम्पनी रजिस्ट्रार / Registrar of Companies
करनाटका
Karnataka

कम्पनी रजिस्ट्रार के कार्यालय अतिरिक्त में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:
Peter England Fashions and Retail Limited
No. 110/4th Cross, 5th Block,, Koramangala Industrial Layout, Koramangala,
Bangalore - 560095,
Karnataka, INDIA





भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, गुजरात, दादरा एवं नगर हवेली

कम्पनी अधिनियम, 1956 की धारा 18(3)
राज्य परिवर्तित करने के संबंध में, कम्पनी विधि बोर्ड के आदेश के पंजीकरण से संबंधित प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U18101GJ2007PLC058606

मैसर्स Peter England Fashions and Retail Limited

ने अपने विशेष विनिश्चय द्वारा, इसके पंजीकृत कार्यालय को कर्नाटका राज्य से गुजरात राज्य में स्थानान्तरित करने के निमित्त अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है और इस परिवर्तन की पुष्टि

SOUTHERN REGION BENCH, CHENNAI

के दिनांक 20/10/2009 के आदेश द्वारा किए जाने पर,

मैं, यह सत्यापित करता हूँ कि उक्त आदेश की सत्यापित प्रतिलिपि को आज पंजीकृत कर लिया गया है।

मेरे हस्ताक्षर द्वारा अहमदाबाद में, यह प्रमाण-पत्र, आज दिनांक अठारह नवम्बर दो हजार नौ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Gujarat, Dadra and Nagar Havelli

SECTION 18(3) OF THE COMPANIES ACT, 1956
Certificate of Registration of Company Law Board order for Change of State

Corporate Identity Number : U18101GJ2007PLC058606

M/s Peter England Fashions and Retail Limited having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Karnataka to the Gujarat and such alteration having been confirmed by an order of SOUTHERN REGION BENCH, CHENNAI bearing the date 20/10/2009.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Ahmedabad this Eighteenth day of November Two Thousand Nine.



(KAMAL HARJANI)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

गुजरात, दादरा एवं नगर हवेली
Gujarat, Dadra and Nagar Havelli

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:
Peter England Fashions and Retail Limited
Indian Rayon Compound, Veraval,
Veraval - 362266,
Gujarat, INDIA



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

कम्पनी अधिनियम, 1956 की धारा 18(3)

राज्य परिवर्तित करने के संबंध में, कम्पनी विधि बोर्ड के आदेश के पंजीकरण से संबंधित प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U18101MH2007PLC233901

मैसर्स Peter England Fashions and Retail Limited

ने अपने विशेष विनिश्चय द्वारा, इसके पंजीकृत कार्यालय को गुजरात राज्य से महाराष्ट्र राज्य में स्थानान्तरित करने के निमित्त अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है और इस परिवर्तन की पुष्टि

., CLB Mumbai

के दिनांक 20/07/2012 के आदेश द्वारा किए जाने पर,

मैं, यह सत्यापित करता हूँ कि उक्त आदेश की सत्यापित प्रतिलिपि को आज पंजीकृत कर लिया गया है।

मुंबई में, यह प्रमाण-पत्र, आज दिनांक इकतीस जुलाई दो हजार बारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Maharashtra, Mumbai

SECTION 18(3) OF THE COMPANIES ACT, 1956

Certificate of Registration of Company Law Board order for Change of State

Corporate Identity Number : U18101MH2007PLC233901

M/s Peter England Fashions and Retail Limited having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Gujarat to the Maharashtra and such alteration having been confirmed by an order of ., CLB Mumbai bearing the date 20/07/2012.

I hereby certify that a certified copy of the said order has this day been registered.

Given at Mumbai this Thirty First day of July Two Thousand Twelve.

Validity unknown
Digitally signed by Registrar of Companies, Maharashtra, Mumbai
Date: 2012.07.31 10:37:26
GMT+05:30

Registrar of Companies, Maharashtra, Mumbai

कम्पनी रजिस्ट्रार, महाराष्ट्र, मुंबई

*Note: The corresponding form has been approved by RAJENDER SINGH MEENA, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

Peter England Fashions and Retail Limited

ADITYA BIRLA CENTRE, A WING 4TH FLOOR, S.K. AHIRE MARG, WORLI,

MUMBAI - 400030,

Maharashtra, INDIA



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U18101MH2007PLC233901

मैसर्स Peter England Fashions and Retail Limited

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

Peter England Fashions and Retail Limited

जो मूल रूप में दिनांक उन्नीस अप्रैल दो हजार सात को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
Peter England Fashions and Retail Limited

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा
लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य
विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि. 507 (अ) दिनांक 24.6.1985 एस.आर.एन. B72559818 दिनांक 23/04/2013 के द्वारा
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स
PANTALOONS FASHION & RETAIL LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र मुंबई में आज दिनांक तेईस अप्रैल दो हजार तेरह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Maharashtra, Mumbai

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U18101MH2007PLC233901

In the matter of M/s Peter England Fashions and Retail Limited

I hereby certify that Peter England Fashions and Retail Limited which was originally incorporated on Nineteenth day of April Two Thousand Seven under the Companies Act, 1956 (No. 1 of 1956) as Peter England Fashions and Retail Limited having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B72559818 dated 23/04/2013 the name of the said company is this day changed to PANTALOONS FASHION & RETAIL LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Mumbai this Twenty Third day of April Two Thousand Thirteen.

Validity unknown
Digitally signed by Registrar of Companies, Maharashtra, Mumbai
Date: 2013.04.23 16:13:38
CN=...

Registrar of Companies, Maharashtra, Mumbai

कम्पनी रजिस्ट्रार, महाराष्ट्र, मुंबई

*Note: The corresponding form has been approved by RAJENDER SINGH MEENA, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

PANTALOONS FASHION & RETAIL LIMITED
701-704, 7TH FLOOR, SKYLINE ICON BUSINESS PARK, 86-92 OFF A. K. ROAD, MAROL
VILLAGE, ANDHERI EAST,
MUMBAI - 400059,
Maharashtra, INDIA





GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Mumbai
Everest , 100 , Marine Drive Mumbai - 400002, Maharashtra, INDIA

Certificate of Incorporation pursuant to change of name
[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]

Corporate Identification Number (CIN): : L18101MH2007PLC233901

I hereby certify that the name of the company has been changed from PANTALOONS FASHION & RETAIL LIMITED to Aditya Birla Fashion and Retail Limited with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name Peter England Fashions and Retail Limited

Given under my hand at Mumbai this Twelfth day of January Two Thousand Sixteen.

Signature valid

Digitally signed by Ministry
of Corporate Affairs - Govt
of India
Date: 2016.01.12 12:22:16
GMT+05:30

T PANDIAN

Registrar of Companies
Registrar of Companies
Mumbai

Mailing Address as per record available in Registrar of Companies office:

Aditya Birla Fashion and Retail Limited
701-704, 7TH FLOOR, SKYLINE ICON BUSINESS PARK, 86-92 OFF A. K. ROAD, MAROL
VILLAGE, ANDHERI EAST,
MUMBAI - 400059,
Maharashtra, INDIA

MEMORANDUM OF ASSOCIATION
OF
ADITYA BIRLA FASHION AND RETAIL LIMITED
(formerly known as Pantaloons Fashion & Retail Limited)

- I. The name of the Company is Aditya Birla Fashion and Retail Limited¹.**
- II. The registered office of the Company will be situated in the State of Maharashtra².**
- III. The object for which the Company is established are:**
 - A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
 - 1) To carry on India and elsewhere in any place or places in the world the trade or the business of manufacturers, exporters, importers, traders, dealers, merchants, shippers, indentors, distributors, wholesalers, retailers, shopkeepers, hirers, commission agents, muccadums, brokers, stockists, mercantile agents, forwarding agents, warehousemen, in all types of fabrics, cotton, knitted, dyed, processed wool, jute, hemp, silk, nylon and allied materials and articles, textile of all kinds, ready to wear garments, non wearables, and made up of all kinds, makers and tailors of all kinds of industrial/domestic wearing/non-wearing apparels, linen, carpets and rugs, strapes, tapes, ribbon, elastic braids and labels and as ginners, pressers, packers, calendars, spinners, weavers, bleachers, dyers, combers and traders of cotton, wool, silk, nylon, synthetic, man-made fibre, flax, hemp, jute and other fibrous substances whether textile, felted, netted or looped and of waste materials and cotton seeds and to run spinning, weaving, pressing, ginning and processing or manufacturing mills, dyeing, printing and bleaching factories and carry on all the above business in all or any of their respective branches.
 - 2) To manufacture, buy, sell, import, export, refine, manipulate or otherwise deal in textiles and piece- goods of all kinds, yam, threads, siiks and art silks, cotton, woolens, nylon, synthetic, man-made and allied materials, rayons and fabrics of all kinds, woven/non-woven cloths, industrial cloth, oil-cloth, leather cloths, Hessians, jute cloths, man-made fibres including regenerated cellulose-rayons, nylon and the like, textile auxiliaries, and sizing materials including starch.

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- 1
 - a. Changed from "Peter England Fashions and Retail Limited" to "Pantaloons Fashion & Retail Limited" at the Extra Ordinary General Meeting held on April 2, 2013.
 - b. Changed from "Pantaloons Fashion & Retail Limited" to "Aditya Birla Fashion and Retail Limited" by virtue of the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited and Madura Garments Lifestyle Retail Company Limited and their respective Shareholders and Creditors, duly approved by the members of the Company vide a Special Resolution passed at the Court Convened Meeting held on September 7, 2015 and by the Hon'ble High Court of Judicature at Gujarat and Bombay by virtue of their respective orders dated October 23, 2015 & December 5, 2015.
 - 2
 - a. Amended vide a Special Resolution passed at the Extraordinary General Meeting of the Company held on August 11, 2009 and by virtue of the order of the Southern Region Bench of Company Law Board, Chennai dated October 20, 2009.
 - b. Amended vide a Special Resolution passed at the Extraordinary General Meeting of the Company held on May 7, 2012 and by virtue of the order of the Company Law Board, Mumbai dated July 20, 2012.

MEMORANDUM OF ASSOCIATION
OF
ADITYA BIRLA FASHION AND RETAIL LIMITED
(formerly known as Pantaloons Fashion & Retail Limited)

- 3) To offer one stop solution for sale, purchase, export, import, and the like, of Garments, fashion clothes, fashion products, life style products, apparels, general merchandise etc.

B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE:

- 1) To enter into partnership or into any arrangement for sharing profits, union of interest, cooperation, for limiting competition, for mutual assistance. joint venture, reciprocal, concession, licenses, or otherwise, with any person, firm, association, society, company, or corporation carrying on or engaged in or about to carry on and to give any person, firm, or company, special rights, licenses and privileges in connection with the Main objects.
- 2) To apply for, purchase or otherwise acquire and protect, prolong and renew, whether in India or abroad, any Trademarks, patents, patent rights, copy rights, concessions, formulae, licenses, designs, and the like conferring any exclusive or non -exclusive or limited right of use, or any secret or other information as to any invention, process, or privilege which may seem capable of being used for any of the purpose of the Company, to use, exercise, develop, under, or grant licenses or privileges in respect of or otherwise to turn to account the property rights, or information, use or license so acquired, and to subsidize, take part in or assist in any researches likely to prove beneficial to the company.
- 3) To invest and deal with the moneys of the Company not immediately required upon such securities, shares, stocks, debentures, or bonds and in such manner as may from time to time be determined and particularly by way of advance or deposit with or without interest to or/ any person, firm, company, corporation, financial institution and bank, developmental boards or state Governments.
- 4) To open current, overdraft, loan, cash credit, special purpose, deposit or saving bank account in India or abroad with any bank, financial institution, and to draw and endorse cheques, pay-slips, telegraphic transfer, electronic transfer and to withdraw moneys from such account and otherwise to operate the same.
- 5) To draw, make, issue, accept, execute, endorse, negotiate, execute or discount bills of exchange, cheques, promissory notes, drafts, clean bills, hundies, bills of lading, railway receipts, airway bill, warrants, debentures, and other negotiable or transferable instruments, securities or documents of title and to buy or sell or deal in the same.

MEMORANDUM OF ASSOCIATION
OF
ADITYA BIRLA FASHION AND RETAIL LIMITED
(formerly known as Pantaloons Fashion & Retail Limited)

- 6) To mortgage, charge, sell, transfer, exchange, lease, under-lease, surrender or otherwise deal with, dispose or turn to account, all or any part of the business, immovable or movable property, rights and effects for the time being of the Company in such manner, on such terms and for such purposes as the Company may think fit and as to any sale or real property either in consideration of a gross sum or of a rent or otherwise and to sell, transfer, or dispose of the whole undertaking of the Company or any part thereof, for cash or such other consideration as the Company may think fit, and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of the Company, or otherwise.
- 7) To acquire and undertake the whole or any part of the goodwill, business, concern, undertaking, property, rights, assets, and liabilities of any person, firm, association, society, company, or corporation carrying on any business which the Company is authorized to carry on or possessed of property suitable for the purpose of this Company and to pay for the same by shares or debentures or by any other securities of this Company, or by cash or otherwise, or partly in one way and partly in another way and to conduct, expand and develop or wind- up and liquidate such business and to purchase and take steps for the acquisition of existing and new licenses in connection with any such business.
- 8) To deal with or enter into contract or arrangement with any Government, semi government department, or water works, electric, port and dock authority, municipal, local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authority any rights, privileges and concessions.
- 9) To amalgamate with any other Company/ companies having objects altogether or in part similar to those of the company or partially amalgamate with or acquire interest in the business of any other company, person or firm carrying on or engaged in or about to be engaged in /carry on any business or transaction included in the objects of the company.
- 10) To promote and form and to be interested in and take or otherwise acquire and hold, sell, exchange, mortgage, charge, or otherwise deal with shares or stock of any other company having objects altogether or in part similar to those of the company.

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- 11) To pay out of the funds of the Company all expenses of and incidental to the promotion, formation, organization, registration, advertisements and establishments of the Company and the issue and subscription of shares or loan capital including brokerage and/ or commission in respect thereof.
- 12) To pay all the costs, charges and expenses of and incidental to the issue of its share capital, debenture or any other securities including any underwriting or other commission, brokerage, fees, advertisements, printing and stationery, solicitors charges, and to remunerate by cash or by way of allotment of fully or partly paid-up shares, to any person, firm or company for services rendered or to be rendered in introducing any property or business or in placing, assisting, or guaranteeing the subscription of any shares, debentures, debenture stock, or any other securities of the company or for rendering services for the formation, promotion or incorporation of the company or for any other reason which the Company may think proper.
- 13) To pay all expenses, cost and / or charges for attending the issue of any circular or notice and the printing, stamping, circulation of proxies and forms to be filled up by the member of the Company.
- 14) To adopt and accept, various contracts, agreements and documents after incorporation of the Company, entered in to by its promoters, person, firm or company before Incorporation of the Company and to remunerate such promoters, person, firm or company by cash or by way of issue of Company's Shares and other securities as the company may deem fit.
- 15) Subject to the provisions of the Companies Act, 1956 to place to reserve or to distribute as bonus, shares among the members or otherwise to apply as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures, bonds or other securities issued at premium by the Company.
- 16) To insure against loss of moneys, principal and interest lent, invested or secured as mortgage, debenture and other securities and loans of every kind to banking, property, investment or financial companies, and to insure the whole or any part of the property of the Company fully or partially and to protect and indemnify the company from liability or loss in any respect either fully or partially.

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- 17) To give guarantees or counter guarantees for payment or performance of any debts, contracts, obligations, or become sureties for any person, firm, company or any association of persons for any purpose whatsoever.
- 18) To establish, maintain and conduct or discontinue or close agencies and branches and appoint representatives, agents, stockist, distributors, dealers and brokers in any part of the world for the conduct of the business of the company.
- 19) To train or pay for training in India or abroad of any of the Company's employees or officers or any candidates in the interest of or in furtherance of the Company's objects and to establish training facilities for providing education and training to the Company's employees and other people.
- 20) To provide for the welfare of any of the employees or past employees or to the Directors or ex-directors and the wives, widow, families, dependents, or Connections of such persons by grants of money, donations, allowances, bonuses, or other payments, from time to time; or by establishing and maintaining or procuring the establishment and maintenance and from time to time subscribing to provident fund and other pension /superannuation / gratuity funds, institutions, associations, or trusts, and by providing, subscribing or contribution towards places of recreation, schools and other educational institutions, hospitals, dispensaries, medical and other attendance's or building of dwelling house or quarters, or to any other institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well being of such persons as aforesaid, and make payments to or towards the insurance of any such persons as aforesaid and to do any of the matters aforesaid either alone or in conjunction with any other company/ person/ firm or institution or in similar other manner as the Company may think fit.
- 21) Subject to the provisions of the Companies Act, 1956, to distribute any of the property of the Company amongst the member in specie or in kind in case of winding up of the Company.
- 22) To subscribe to or otherwise aid benevolent, charitable or other institutions or objects of a public character or which have any moral or other claim or support on aid by the Company by reason of the locality of its operations or otherwise and to promote, develop, aid and support monetarily or otherwise any person, association, body, or movement, having objects of promotion of industry or trade of all kinds concerning the objects or business of the company or related interests.

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- 23) To accept gifts, bequests, donation from members and others and to make gifts to members and others of money, assets and properties of any kind. Subject to the provisions of the Companies Act, 1956
- 24) To undertake any trusts, the undertaking whereof may seem desirable and whether gratuitously or otherwise.
- 25) To lend and advance money or give credit to any persons or company or corporation, society or association, with or without interest, with or without security and on such terms and as may seem expedient and in particular to shareholders of the company or to customers and others having association with the company and to guarantee the performance of any contract or obligation and generally to give guarantees and indemnities. However the company shall not carry on the business of banking company under the Banking Regulations Act, 1949
- 26) To borrow or raise money, other than public deposits at interest, or otherwise in such manners as the Company may think fit and in particular by the issue of debentures or debenture stock, bonds, securities or otherwise including debenture or debenture stock convertible into shares of this or any other company or companies or perpetual annuities and issuable or payable at par, or at a premium, or discount and in security of any such money so borrowed, raised or received, to mortgage, hypothecate, pledge, securitised, or charge the whole or any part of the property, assets or revenue of the Company, present or future including its uncalled capital by special assignment or otherwise and to transfer or convey the same absolutely or in trusts and to give the lenders' power of sale and other powers as may seem expedient and to buy, redeem, exchange, vary, extend or units off and from time to time re-issue any such securities. But the Company shall not do any banking business as defined in the Banking Regulations Act, 1949 subject to the provisions of section 58-A read with section 3(1)(iii)(d) of the Companies Act, 1956 and directives of Reserve Bank of India.
- 27) To apply or join in applying to any Central or State Governments, local improvement trust, municipalities or local board or other authority or body, national or foreign for and to obtain or in any way assist in obtaining any act of parliament, laws, decrees, concessions, orders, rights or privileges or advantages that may seem conducive to the objects of this or any other company or for enabling this or any other company's constitutions, to oppose any proceedings, or applications or any other company to be legalised, registered, or incorporated if necessary in accordance with the laws of any

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country, state or place in which it may propose to carry on operation to establish, and maintain any agencies, of the Company and to open and keep a foreign register or registers of this or any other company in any foreign country and to allocate any member of these or any other company, shares in this or any other company to such register or registers.

- 28) To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, or any other Special Fund, whether for depreciation or for repairing, improving, extending, or maintaining any of the property of the Company or for any other purpose conducive to the interest of the Company.
- 29) To refer any claims, demands, disputes or any other question by or against the Company or in which the Company is interested or concerned and whether between the Company and the member or members or his or their representative or between the Company and third parties to arbitration in India or at any place outside India and to observe, perform and to do all acts, deeds, matters, and things to carry out or enforce the awards.
- 30) To procure the registration or recognition of the Company in any country, state or place and to establish and regulate agencies for the purpose of the Company's business.
- 31) To apply for and to obtain license, permission or any other approval from Central or State Government, Semi Government, Government Body, state, local authority, Municipal and such other agencies related to getting and using satellite link for up linking or down linking or any other mode of telecommunication link (whether now known or hereafter devised), whether in India or abroad for the purpose of the Company's business.
- 32) To apply for tender, purchase or otherwise acquire any contracts, licenses and concessions, for or in relation to the objects or business herein mentioned or any of them and to undertake, execute, carry on, dispose off or otherwise turn to account the same.
- 33) To do the above things in all or any of the State in India and/ or in any part of the world and either as principals, agents, contractors, trustees, or otherwise and by or through trustees, attorneys, agents or otherwise and either alone or in conjunction with others and to do all such other things as are conducive or incidental for the attainment of the above objects or any of them.

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- 34) To adopt such means of making known and advertising the business and products of the Company as may be expedient.
- 35) To indemnify officers, Directors, Agents, and employees of the Company against proceedings, costs, damages, claims, and demands in respect of anything, done or ordered to be done by them for and in the interest of the Company or for any loss, damages or misfortune whatever which shall happen in execution of the duties of their office or in relation thereto.

C. OTHER OBJECTS NOT INCLUDED IN A & B ABOVE ARE:

- 1) To establish, set up, acquire in India or abroad schools, colleges, training and professional institutions to train, educate or develop students, designers and any other persons in fashion designing, textile designing, interior designing and decorators, fashion marketing, modeling, boutique, knitting, dying, bleaching, painting, fabric treatment material, chemical and all other treatments and tailoring, cutting and any other related things.
- 2) To design, process, buy, sell and deal in all types of wearing apparels or readymade garments made of all kinds of cotton, linen, silk, wool, natural/artificial leather, artificial silk, rayon, nylon hemp, flax, rubber fibres, cellulosic fibres, metallic fibres, glass fibres, protein fibres, polyesters, synthetic polymers and other fibres, or fibrous substances and preparations, natural or otherwise.
- 3) To perform, promote, conduct, organise, manage and advertise all kinds of events, shows, functions, programmes, exhibitions, concerts, contests, fairs etc.

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IV. The liability of the members is limited.

- V. “The Authorised Share Capital of the Company is ₹ 20,48,15,00,000 (Rupees Two Thousand FortyEight Crore Fifteen Lakhs only) divided into 2,03,60,00,000 (Two Hundred Three Crore Sixty Lakhs) Equity Shares of ₹ 10/- each (Rupees Ten only) amounting to ₹ 20,36,00,00,000 (Rupees Two Thousand Thirty-Six Crore only), 8% 5,00,000 (Five Lakhs) Redeemable Cumulative Preference Shares of ₹ 10/- (Rupees Ten Only) each amounting to ₹ 50,00,000 (Rupees Fifty Lakhs only), 15,000 (Fifteen Thousand) 6% Redeemable Cumulative Preference Shares of ₹ 100/- (Rupees Hundred only) each amounting to ₹ 15,00,000 (Rupees Fifteen Lakhs only), 95,00,000 (Ninety Five Lakhs) Preference Shares of ₹ 10/- each (Rupees Ten only) amounting to ₹ 9,50,00,000 (Rupees Nine Crore Fifty Lakh only) and 2,00,00,000 (Two Crore) Preference Shares of ₹ 1 (Rupees One only) each amounting to ₹ 2,00,00,000 (Rupees Two Crore only) with a power to increase or reduce the capital of the Company in accordance with the provisions of the Companies Act, 2013 and to classify or reclassify the Share Capital.³**

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- ³ a. Amended vide Ordinary Resolutions passed by the members of the Company at their Extra Ordinary General Meetings held on March 19, 2009 and April 2, 2013 and vide Special Resolution at the Seventh Annual General Meeting held on August 27, 2014.
- b. Amended vide the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited and Madura Garments Lifestyle Retail Company Limited and their respective Shareholders and Creditors, duly approved by the members of the Company vide a Special Resolution passed at the Court Convened Meeting held on September 7, 2015 and by the Hon’ble High Court of Judicature at Gujarat and Bombay by virtue of their respective orders dated October 23, 2015 & December 5, 2015.
- c. Amended vide Ordinary Resolution passed by the members of the Company through Postal Ballot on June 23, 2022.
- d. Amended vide Ordinary Resolution passed by the members of the Company through Postal Ballot on March 21, 2024.
- e. Amended vide the Scheme of Amalgamation (by way of Merger by Absorption) among the TCNS Clothing Co. Limited and Aditya Birla Fashion and Retail Limited and their respective shareholders and creditors and duly approved by the members of the Company vide a Special Resolution passed at the National Company Law Tribunal, Mumbai Bench Convened Meeting held on June 5, 2024 and by the Hon’ble National Company Law Tribunal, Mumbai Bench vide its Order dated August 2, 2024.

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We, the several persons, whose names, addresses are subscribed below are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of this company as set opposite to our respective names:

Name, Address, Occupation & Description of each Subscriber	No of shares subscribed	Signature Of Subscriber	Signature of Witness: name, address, description & occupation
<u>Laxminarayan Investment Limited,</u> Indian Rayon Compound, Junagadh - Veraval Road, Veraval - 362 266 (represented by its Company Secretary Rakesh Gupta) Camp: Bangalore	49,994 (Forty Nine Thousand Nine hundred and ninety four only)	Sd/-	Witness for all Sd/- J Sundaresan S/o C S Jayamoorthy 1215, 3 rd Main, Dr. Ambedkar Layout, K B Sandra, R T Nagar, Bangalore 560032.
<u>Adesh Kumar Gupta</u> S/o Shri R.K. Gupta 701, Tagore Avenue, Tagore Road, Santacruz (west) Mumbai 400 054 Occupation: Company Executive, Camp: Bangalore	1 (one only)	Sd/	Occ: Company Secretary in practice. Witness for all
<u>Manoj Kedia</u> S/o Shri G. D. Kedia B-305, Shree palace, Satya Nagar, Saibaba Nagar, Borivali (west), Mumbai 400 092 Occupation: Service Camp: Bangalore	1 (one only)	Sd/	
<u>Pinky Mehta</u> W/o Mr. Atul Mehta 102, AnandKanchan, Phirozshah Mehta Road, Vileparle (east) Mumbai 400 057 Occupation: Service Camp: Bangalore	1 (one only)	Sd/	

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<u>Anil Rustogi</u> S/o Jagdish Prasad Rustogi 8, Sonika, Gulmohar Cross Road, 9 th Extn, JVPD scheme, Juhu, Mumbai 400 049 Occupation: Service Camp: Bangalore	1 (one only)	Sd/	Witness for all Sd/- J Sundaresan S/o C S Jayamoorthy 1215, 3 rd Main, Dr. Ambedkar Layout, K B Sandra, R T Nagar, Bangalore 560032. Occ: Company Secretary in practice.
<u>N V Balachandar</u> S/o C. N. Vishwanathan No. 123, Lake shore Home, Kasavanahalli, Bellandur post, Bangalore 560 037 Occupation: Senior Corporate Executive	1 (one only)	Sd/	Witness for all
<u>Vikram Rao</u> S/o Mr. Belegundu. Raja Dhondurao, 345, 16 th Main, III Block, II cross, Koramangala, Bangalore 560 034 Occupation: Senior Corporate Executive	1 (one only)	Sd/	Witness for all
<u>Total</u>	50,000 (Fifty Thousand)		

PLACE : Bangalore

DATED: 5th March 2007

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The regulations comprised in these Articles of Association have been adopted pursuant to a resolution passed by the members of Aditya Birla Fashion and Retail Limited¹ ("Company") at the Seventh Annual General Meeting held on August 27, 2014, in substitution and to the entire exclusion of the regulations contained in the extant Articles of Association of the Company².

PRELIMINARY

The Company is established with Limited Liability in accordance with and subject to the provisions of the Companies Act, 1956 and the Regulations contained in the "Table F" in the "Schedule I" of the Companies Act, 2013 ("said Table F"), shall be applicable to the Company, as are applicable to a public company limited by shares, so far as they are not inconsistent with any of the provisions contained in these regulations or any modification(s) thereof.

In case of any conflict between the regulations as contained in these presents and the regulations as contained in the said Table F, the regulations of these presents shall prevail and in case of absence of a provision in these presents, dealing with any particular subject matter, the provisions of the said Table F, if any, shall be applicable to the Company.

Accordingly, the regulations for management of the Company and for the observance of the members shall be such as are contained in these Articles.

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- 1 a. Changed from "Peter England Fashions and Retail Limited" to "Pantaloons Fashion & Retail Limited" at the Extra Ordinary General Meeting held on April 2, 2013.
- b. Changed from "Pantaloons Fashion & Retail Limited" to "Aditya Birla Fashion and Retail Limited" by virtue of the Composite Scheme of Arrangement amongst the Company, Aditya Birla Nuvo Limited and Madura Garments Lifestyle Retail Company Limited and their respective Shareholders and Creditors, duly approved by the members of the Company vide a Special Resolution passed at the Court Convened Meeting held on September 7, 2015 and by the Hon'ble High Court of Judicature at Gujarat and Bombay by virtue of their respective orders dated October 23, 2015 & December 5, 2015.
2. Adopted pursuant to the Special Resolution passed by the members of the Company at their Seventh Annual General Meeting held on August 27, 2014.

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INTERPRETATION

The marginal notes appearing hereunder shall not affect the meaning and/or interpretation of the regulations in these presents, unless there be something in the subject or context inconsistent therewith.

In these present regulations, the following words and expressions shall have the following meanings, unless repugnant to the subject or context.

“The Company” or “This Company” means **Aditya Birla Fashion and Retail Limited**;

“Act” or “The Companies Act, 2013” or “The said Act” or “The act” shall mean the Companies Act, 2013 (Act No. 18 of 2013) and shall include the section(s) or provision(s) thereof and Rules made thereunder including any statutory amendment(s) and/or modification(s) and/or re-enactments thereto for the time being in force and the term shall be deemed to refer to the applicable section(s) thereof which is relatable to the relevant Article in which the said term appears in these presents and any previous company law, so far as may be applicable;

“Annual General Meeting” shall mean the annual general meeting(s) of the Company convened and held in accordance with the Act;

“Alter” and “Alteration” shall include the making of additions, omissions and modifications;

“Articles of Association” or “Articles” means the Articles of Association of the Company as originally framed or as altered from time to time in accordance with the Act;

“Auditors” shall mean the Statutory Auditors appointed under the said Act;

“Beneficial Owner” shall have the meaning assigned thereto in section 2 of the Depository Act;

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“Board” or “Board of Directors” shall mean the collective body of the Directors of the Company and shall include committee(s) thereof;

“Capital” shall mean the share capital for the time being paid-up and/or issued and/or authorized to be raised for the purposes of the Company;

“Depositories Act” means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

“Depository” means a company formed and registered under the Act and which has been granted a Certificate of Registration to act as a depository under the Securities and Exchange Board of India Act 1992.

“Directors” shall mean the persons appointed as Directors of the Company, for the time being;

“Dividend” shall include interim dividend unless otherwise stated;

“Document” shall mean and include anything relating to the Company, available in a written form including summons, notice, requisition, order, declaration, form and register, whether issued, sent or received or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form;

“Executor” or “Administrator” means a person who has obtained probate or letters of administration, as the case may be, from some competent court having jurisdiction in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorized to negotiate or transfer the shares of the deceased member;

“Extra-ordinary General Meeting” shall mean an extra-ordinary meeting of the Company convened and held in accordance with the Act;

“Financial Year” shall mean have the meaning assigned thereto by the Act;

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“Financial Statements” shall mean:

- (i) balance sheet as at the end of the financial year;
- (ii) profit and loss account, for the financial year; cash flow statement for the financial year;
- (iii) a statement of changes in equity, if applicable; and
- (iv) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv);

“In writing” or “Written” shall mean any form of documentation done on behalf of and for the purposes of the Company and shall include an email & such other forms of documentation(s) and/or transmission(s) made in electronic mode;

“Independent Director” shall have the meaning assigned to it in the Act;

“Key Managerial Personnel” shall mean the Managing Director or Chief Executive Officer or Manager; company secretary; Whole-time Director; Chief Financial Officer and such other officer as may be notified from time to time in the Rules or as may be resolved by the Board, to be included in the Key Managerial Personnel of the Company;

“Managing Director” shall have the meaning assigned thereto in the Act;

“Member(s)/ Shareholder(s)” shall mean the duly registered holder of the share(s) of the Company, from time to time, and shall include the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository;

“Memorandum of Association” shall mean the Memorandum of Association of the Company; as originally framed and/or modified and/or amended from time to time;

“Month” shall mean the English calendar month;

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“National Holiday” shall mean the day declared to be a national holiday by the Government of India;

“Office” shall mean the registered office of the Company, for the time being;

“Officer” shall have the meaning assigned thereto by the Act;

“Ordinary Resolution” shall have the meaning assigned thereto by the Act;

“Paid up” shall include “credited as paid up”;

“Participant” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

“Person” shall include any natural or legal person, association of persons, corporation, company, firm etc.;

“Postal Ballot” shall have the meaning assigned thereto by the Act;

“Proxy” shall mean and include a person duly authorized under a power of attorney or otherwise;

“Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

“Registered Owner” means a Depository whose name is entered as such in the records of the Company.

“Register(s)” shall mean the registers, including the register of Members to be maintained pursuant to the provisions of the Act;

“Registrar” shall mean the Registrar of Companies within whose jurisdiction the Registered Office of the Company is situated, for the time being;

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“Rs.” shall mean the lawful national currency of India;

“Rules” shall mean any rule(s) made pursuant to the provisions of Section 469 of the Act or such other provisions pursuant to which the Central Government is empowered to make rules and shall include all amendments and/or re-enactments and/or modifications thereof, from time to time;

“Seal” shall mean common seal of the Company;

“Secretary” shall mean the Company Secretary of the Company, included in the Key Managerial Personnel of the Company, appointed pursuant to the provisions of the Act;

“Securities” shall have the meaning assigned thereto by the Act and shall include any security as may be specified by the Securities and Exchange Board of India from time to time;

“SEBI” means the Securities and Exchange Board of India

“Section(s)” shall mean the Section(s) of the Act;

“Share Warrant” shall mean share warrant issued pursuant to provisions of the Act;

“Special Resolution” shall have the meaning assigned thereto by the Act;

“These presents” shall mean these regulations i.e. Articles of Association including all amendments and/or re-enactments and/or modifications thereof and shall include the Memorandum of Association where the context so requires;

“Transfer” means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the securities, shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any securities/shares or of any interest therein or the creation of any third party interest in or over the securities/shares, but excluding any renunciation of any right to subscribe for any securities/shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company;

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Words importing the singular number includes the plural number and vice versa.
Words importing the masculine gender shall include the feminine gender.

Words importing persons shall, where the context requires, include bodies corporate and companies as well as individuals. Subject as aforesaid, any words and expressions defined in the said Act as modified up to the date on which these presents become binding on the Company shall, except where the subject or context otherwise requires, bear the same meanings in these presents.

The marginal notes and the headings given in these presents shall not affect the construction hereof.

The Company shall, on being so required by a Member, send to him within seven days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the Rules for each copy of the documents specified in Section 17 of the said Act.

Expressions referring to writing shall be construed as including references to printing lithography, photography and other modes of representing or reproducing words in a visible form.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in the presents.

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A. SHARE CAPITAL, VARIATION OF RIGHTS & BUY BACK

<i>Authorised Share Capital</i>	1	The authorized share capital of the Company shall be the amount as enumerated in the Clause V of the Memorandum of Association, from time to time.
<i>Kinds of Share Capital</i>	2	<p>The Company may issue the following kinds of shares in accordance with these presents, the Act, the Rules and other applicable laws:</p> <p>(a) Equity share capital:</p> <p style="padding-left: 40px;">(i) with voting rights; and / or</p> <p style="padding-left: 40px;">(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p> <p>(b) Preference share capital.</p>
<i>Shares at the Disposal of and under the control of the Board</i>	3	Subject to the provisions of the Act and these presents, the shares in the capital of the Company shall be under the control of the Board, who may issue and/or allot and/or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of the Act) at a discount and at such time as they may from time to time think fit.
<i>Commission and Brokerage</i>	4	<p>(a) The Board may exercise the power of paying commissions conferred by the Act, to any person in connection of the securities, provided that the rate (%) or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and Rules made thereunder and that the rate</p>

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or amount of the commission shall not exceed the rate or amount prescribed in the Act and Rules made thereunder.

(b) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

(c) The Company may also on issue of shares, pay reasonable brokerage as may be lawful.

Company's securities not to be purchased

5 Except as provided in these presents, none of the funds of the Company shall be utilised in the purchase of or lent on the security or securities of the Company and the Company shall not, except as permitted by the provisions of the Act, give any financial assistance for the purpose of or in connection with any purchase of securities of the Company.

Buy Back of Securities

6 Notwithstanding anything contained in these presents but subject to all applicable provisions of the Act or any other Law for the time being in force, the Company may purchase its own shares or any other specified securities.

Increase of Capital 7

The members of the Company may, from time to time, authorize the Board to increase the capital by the creation of new securities, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

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The new securities shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such securities may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting in conformity with the Act and other applicable laws.

Whenever the capital of the Company has been increased under the provisions of the presents, the Board shall comply with the provisions of the Act.

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| <i>New Capital to be Part of the Existing Capital</i> | 8 | Except so far as otherwise provided by the conditions of the issue or by these Presents, any capital raised by the creation of new securities, shall be considered to be a part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. |
| <i>Reduction of Capital</i> | 9 | <p>The Company may, vide a special resolution passed by its members, reduce in any manner and with & subject to any incident authorized and consent required in accordance with the provisions of the Act and the Rules;</p> <ul style="list-style-type: none">(a) its share capital; and/or(b) any capital redemption reserve account; and/or(c) any securities premium account; and/or(d) any other reserve in the nature of share capital. |

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<i>Sub-division, Consolidation and Cancellation of Share(s)</i>	10	<p>Subject to the provisions of the Act, the Company may, by ordinary resolution –</p> <p>(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:</p> <p>Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</p> <p>(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p>
Conversion of Shares into Stock	11	<p>Where shares have been converted into stock-</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards</p>

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dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

*Issuance of
Preference Shares*

- 12 The Company shall be at liberty, without prejudice to its other rights, from time to time to create and issue further preference shares, with or without the right of redemption, ranking in all respects pari-passu with the existing preference shares.

*Application of
Amounts for
Redemption*

- 13 Subject to the provisions of the Act, the Board may at any time as it may determine, but not later than twenty years from the date of issue and allotment of the preference shares, apply the net profits or the moneys of the Company, which may be lawfully applied for the purpose, including any proceeds of a fresh issue of shares made for the purpose of redemption, in redemption of the whole or any part of the preference shares for the time being issued and outstanding at par, together with a sum equal to the arrears of fixed dividend thereon, (whether earned or declared or not) on the date of redemption.

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<i>Procedure for Redemption</i>	14	At the time of redemption, each such holder shall be bound to surrender to the Company the certificate or certificates for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption the Company shall issue to the holder thereof, a fresh certificate therefor.
<i>Period of Redemption</i>	15	Any of the preference shares not previously redeemed under the foregoing provisions shall be redeemable not later than expiry of twenty years from the date of its issue and allotment at par together with all arrears of the fixed dividend thereon, (whether earned or declared or not) upto the date.
<i>Issuance of Shares with Differential Rights</i>	16	Subject to the provisions of the Act and all other applicable provisions of law, the Company may issue (a) securities on a preferential allotment basis; and (b) equity shares with differential rights as to dividend, voting or otherwise.
<i>Further Issue of Shares</i>	17	(a) Subject to the provisions of the Act, where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then: (i) such further shares shall be offered to the

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persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances permit, to the capital paid up on those shares at that date;

- (ii) the offer aforesaid shall be made by a notice specifying the number of shares to be offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined;
 - (iii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right;
 - (iv) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- (b) Notwithstanding anything contained in sub-clause (a), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub- clause (a) hereof) if a Special Resolution to that effect is passed by the Company.

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(c) Nothing in sub-clause (iii) of (a) hereof shall be deemed:

(i) to extend the time within which the offer should be accepted; or

(ii) to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

*Right to Convert
Loans into Capital*

- 18 Notwithstanding anything contained in clauses(s) above, but subject to the provisions of the Act, the Company may increase its subscribed capital on exercise of an option attached to the bonds or debentures or loans raised by the Company :
- (a) to convert such bonds or debentures or loans into shares in the Company; or
- (b) to subscribe for shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

*No Recognition of
Equitable Interest*

- 19 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or

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(except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Variation of Class Rights	20	<p>(a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>(b) To every such separate meeting, the provisions of these regulations relating to general meetings shall <i>mutatis mutandis</i> apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
<i>Rights not to be Deemed Varied</i>	21	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.

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B. CAPITALISATION OF PROFITS

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| <i>Capitalisation of Profits</i> | 22 | <p>(a) The Company may, in a general meeting, on recommendation of the Board, resolve:</p> <ul style="list-style-type: none">(i) that it is desirable to capitalize any part of any amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and(ii) that such sum be accordingly set free for distribution in the manner specified in the Clause (b) below amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion. <p>(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:</p> <ul style="list-style-type: none">(i) paying up any amounts for the time being unpaid on shares held by such members respectively(ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or(iii) partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii). <p>(c) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to</p> |
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members of the company as fully paid bonus shares.

- (d) The Board shall give effect to the resolution passed by the Company in pursuance of these Regulations.

Power of Directors for Declaration of Bonus Issue and actions Ancillary to Capitalisation of Profits 23

- (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and
 - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
- (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and
 - (ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid

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on the shares.

- (c) Any agreement made under such authority shall be effective and binding on all such members.

C. ALLOTMENT OF SHARES & CALLS ON SHARES

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| <i>Consideration for Allotment</i> | 24 | <p>(a) The Board may issue and allot the shares of the Company, for such consideration i.e. cash or otherwise, as may be deemed fit by them.</p> <p>(b) Subject to the provisions of the Act and these presents, the Board may issue and allot shares in the capital of the Company towards payment or part payment for any property or assets of any kind whatsoever purchased or transferred or towards satisfaction or part satisfaction of borrowing(s) and/or loan(s) (including Debentures) (in case such option is attached to the terms of such borrowings and/or loan and the same is exercised) or for services rendered to the Company with regard to the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, if the price of such shares is determined by the valuation report of a registered valuer and such issuance and allotment is approved by a special resolution of the Shareholders of the Company.</p> |
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<i>Restriction on Allotment</i>	25	(a) The Board shall duly observe the applicable provisions of the Act in making the allotments; (b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and (c) Nothing herein contained shall prevent the Board from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
<i>Allotment on Application to be Acceptance of Shares</i>	26	Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these presents and every person who thus or otherwise accepts any shares and whose name is on the Register, shall, for the purpose of these presents, be a Member.
<i>Return on Allotments to be made</i>	27	The Board shall observe and comply with the provisions of the Act, with regard to the restrictions on allotment of shares to the public and also with regard to return on allotments.
<i>Installments on Shares</i>	28	If, by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof is payable in installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

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Board to have the Right to make Calls on Shares 29 The Board may, from time to time, subject to the provisions of the act, the terms on which any shares may have been issued and subject to the conditions of allotment, vide a resolution passed in that regard, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of shares or by way of a premium) and each Member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company.

Provided further that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Notice for Call 30 Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

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| <i>Call When Made</i> | 31 | The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board. |
| <i>Liability of Joint Holders for a Call</i> | 32 | The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof. |
| <i>Board to Extend Time to Pay Call</i> | 33 | <p>The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members.</p> <p>The Board may be fairly entitled to grant such extension, but no Member shall be entitled to such extension, save as a matter of grace and favour.</p> |
| <i>Calls to Carry Interest</i> | 34 | If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. |
| <i>Dues Deemed to be Calls</i> | 35 | Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share |

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or by way of premium, shall for the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

*Advances of
Uncalled Monies*

- 36 The Board -
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, 12% per annum, or such rate as may be determined by the Board. No voting rights in respect of the moneys so paid in advance shall be exercisable until the moneys shall have become payable. Money so paid in excess of the amount of calls shall not rank for dividend and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as a part of its capital and shall be repayable to the member at any time without notice if the Directors so decide.

*Proof of Dues in
Respect of Shares*

- 37 On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed

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to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the members is, or was, when the claim arose, on the register of members of the Company as a holder or one of the holders of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given in pursuance of these presents and it shall not be necessary to prove the appointment of the directors who made such call nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

*Money Due on
Shares to be a
Debt to the
Company*

38 The money (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and to be paid by him accordingly.

*Members or Heirs
to Pay Unpaid
Amounts*

39 Members (including their heirs, executors or administrators) shall pay to the Company, the portion of the capital represented by his share or shares, which may for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Regulations require or fix for the payment thereof.

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<i>Partial Payment not to Preclude Forfeiture</i>	40	Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.
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D. FORFEITURE OF SHARES

<i>Board to Have Right to Forfeit Shares</i>	41	If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
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<i>Notice for Forfeiture of Shares</i>	42	<p>The notice aforesaid shall—</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>
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<i>Effect of Forfeiture</i>	43	<p>If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p> <p>Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture, subject to applicable provisions of the Act.</p> <p>There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.</p>
<i>Notice of Forfeiture</i>	44	<p>When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member on whose name such share stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.</p>
<i>Forfeited Share to be the Property of the Company</i>	45	<p>Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.</p>
<i>Cancellation of Forfeited Share</i>	46	<p>A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board</p>

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thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

<i>Member to be Liable Even After Forfeiture</i>	47	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
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The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

<i>Claims Against the Company to Extinguish on Forfeiture</i>	48	The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.
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<i>Evidence of Forfeiture</i>	49	A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these presents on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares
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Transfer of Forfeited Share 50 Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the Register in respect of the share sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

The transferee shall thereupon be registered as the holder of the share; and

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Certificate of Forfeited Shares to be Void 51 Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand

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cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

<i>Non-payment of Sums Liabale to Attract Forfeiture</i>	52	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
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<i>Board Entitled to Cancel Forfeiture</i>	53	Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.
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The provisions of these presents relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

E. SHARE CERTIFICATES

<i>Issue of Share Certificates</i>	54	(a) Every person whose name is entered as a member in the register of members shall be entitled to receive, within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –
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- (i) one certificate for all his shares without payment of any charges; or
 - (ii) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (b) Every certificate shall be under the seal of the Company and shall specify the shares to which it relates and the amount paid-up thereon.
- (c) Further, a person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
- (d) The provisions of the these presents relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

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| <i>Dematerialisation</i> | 55 | (a) Notwithstanding anything contained in these presents, the Company shall be entitled in accordance with the provisions of the Depositories Act, to dematerialise any or all of its shares, debentures and other securities and to offer any shares, debentures or other Securities proposed to be issued by it for |
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subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debentures/ other Security holders with the details of Members/ Debenture holders/ other Security holders holding shares, debentures or other Securities both in materialised and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of the existing shares or any future issue.

- (b) The Company may exercise an option to issue, dematerialise, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.
- (c) Notwithstanding anything to the contrary or inconsistent contained in these presents, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

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- (d) Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.
- (e) All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.
- (f) Except as ordered by a court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the beneficial owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the

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Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

- (g) Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

- (h) The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that state or country.

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- (i) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
- (j) Notwithstanding anything contained in the Act, or these presents, to the contrary, where securities are held in a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.
- (k) Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.
- (l) The shares in the capital shall be numbered progressively according to their several denominations, provided however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialized form.
- (m) Except as specifically provided in these presents, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to

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shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.

- (n) Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.
- (o) If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly.

The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.

The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

- (p) Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles of these presents.
- (q) The provisions of these presents, relating to dematerialisation of shares shall *mutatis*

Joint Ownership of 56
Shares

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- (e) The provisions of these presents, relating to joint ownership of shares shall *mutatis mutandis* apply to any other securities including debentures (except where the Act otherwise requires) of the Company.

<i>Director to Sign Share Certificates</i>	57	A Director may sign a share certificate electronically or by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials used for the purpose.
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<i>Issue of New Certificate in Place of one Defaced, Lost or Destroyed</i>	58	(a) If any certificate is worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender of such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution and issuance of such indemnity in favour of the Company, as the Company may deem to be adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued on payment of such fees as prescribed under the act.
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PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

- (b) Notwithstanding what is stated above the Board shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.
- (c) The provisions of the these presents relating to issue of new certificates in Place of one Defaced, Lost or Destroyed shall mutatis mutandis apply to any other securities including debentures (except where the Act otherwise requires) of the Company.
- (d) Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

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<i>Renewal of Share Certificate</i>	59	<p>(a) When a new share certificate has been issued in pursuance of the above Article, the reason for issuance of the same shall be explicitly stated on the face of such certificate and the word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate.</p> <p>(b) Further, particulars of every such share certificate shall be entered in a separate Register maintained for purposes of maintaining records of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.</p> <p>(c) The provisions of these presents relating to renewal of share certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.</p>
<i>Responsibilities to Maintain Records</i>	60	<p>The Managing Director of the Company or if the Company has no Managing Director, every Director of the Company or such other officer of the Company specifically entrusted with the responsibility, shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.</p>

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F. LIEN

- Company's lien on shares* 61 (a) The company shall have a first and paramount lien—
- (i) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (b) The company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.

- Sale of Shares on Which Lien Held* 62 The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made:

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable,

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has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

*Process for Sale of
Shares on Which
Lien Held*

- 63
- (a) To give effect to any such sale, the Board may authorise any of its officers to transfer the shares sold to the purchaser thereof.
 - (b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - (c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
 - (d) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
 - (e) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

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G. TRANSFER AND TRANSMISSION OF SHARES

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| <i>Process of Transfer</i> | 64 | (a) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. |
| <i>Register of Transfers</i> | 65 | Company shall keep and maintain a “Register of Transfers” and particulars of every transfer or transmission of any shares shall be fairly and distinctly entered therein. Nothing contained in these Articles shall apply to transfer of securities held in Dematerialized form/ Depository. |
| <i>Endorsement of Transfer</i> | 66 | In respect of any transfer of shares registered in accordance with the provisions of these presents, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars, on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee. |
| <i>Instrument of Transfer</i> | 67 | The instrument of transfer of any share shall be in writing and the provisions of Section 56 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of |

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all transfer of shares and registration thereof.

The Company shall use a common form of transfer in all cases.

In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

<i>Directors may Refuse to Register Transfer</i>	68	Subject to the provisions of Section 58 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these presents or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in shares or debentures of the Company.
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The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

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<i>Closing Register of Transfers and of Members</i>	69	The Board shall be empowered, on giving not less than seven days notice by advertisement in a newspaper circulating in the district in which the Office of the Company is situated, to close the transfer books, Register, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.
<i>Transfer of Partly Paid Shares</i>	70	Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.
<i>Transfers Not Permitted</i>	71	No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.
<i>Retention of Instruments of Transfer</i>	72	All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.
<i>Title to Shares of Deceased Members</i>	73	On the death of a member, the survivor or survivors where the member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

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Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of probate or letter of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

<i>Transmission of Shares</i>	74	Subject to the provisions of the Act and these Presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these presents may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article or of his title, either by registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, be registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.
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The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

*Rights on
Transmission*

75 A person entitled to a share by transmission shall, subject to the Directors' right to retain such dividends or money, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

Provided that the Board may at any time to give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such

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share, until the requirements of notice have been complied with.

*Instrument of
Transfer to be
Stamped*

76 Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the dividend in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such dividend to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

*Share Certificates
to be Surrendered*

77 Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 56) properly stamped and executed instrument of transfer.

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| <i>No Fee on Transfer or Transmission</i> | 78 | No fee shall be charged for:
(a) registration of transfers, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document; and

(b) sub-division and/ or consolidation of shares and debentures and sub-division of letters of allotment and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading. |
| <i>Company Not Liable to Notice of Equitable Rights</i> | 79 | The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit. |

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<i>Transfer and Transmission of Debentures</i>	80	The provisions of these Articles, shall, <i>mutatis mutandis</i> , apply to the transfer of or the transmission by law of the right to debentures of the Company.
<i>Nomination Facility</i>	81	<p>(a) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.</p> <p>(b) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.</p> <p>(c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of</p>

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all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

- (d) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.
- (e) Any person who becomes a nominee by virtue of the provisions of Section 72 upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either
 - (i) To be registered himself as holder of the shares or debentures as the case may be, or
 - (ii) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.
- (f) If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a death certificate of the deceased shareholder or debenture holder as the case may be.

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(g) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

(h) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 72 at any time, make a nomination and above provisions

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shall as far as may be, apply to such nomination.

Applicability to the Debentures 81a. Provisions of these presents shall apply mutatis mutandis to Debentures to the extent applicable.

H. GENERAL MEETINGS

General Meetings 82 (a) The Company shall, in addition to any other meetings hold a general meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

(b) The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

Extraordinary Meetings on Requisition 83 The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 100 of the Act.

Notice for General Meetings 84 Notice of every meeting shall be given to every member of the Company in any manner authorised by sub-sections (1) and (2) of Section 20 of the Act.

All general meetings shall be convened by giving not less than clear twenty- one days notice i.e. excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed

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to be transacted, the nature of that business shall be given in the manner mentioned in Section 102 of the Act.

Notice shall be given to all the shareholders and to such persons as are under the Act and/or these presents entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member or other person to whom it should be given shall not invalidate the proceedings of any general meeting.

The members may participate in general meetings through such modes as permitted by applicable laws.

<i>Shorter Notice Admissible</i>	85	With the consent of not less than 95 percent of the members of the Company entitled to vote at such meeting, any general meeting may be convened by giving a shorter notice than twenty one days.
<i>Special and Ordinary Business</i>	86	<p>(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of</p> <ul style="list-style-type: none">(i) declaration of dividend,(ii) consideration of the financial statements and the reports of the Directors and Auditors,(iii) the election of Directors in place of those retiring; and(iv) the appointment of and the fixing up of the remuneration of the auditors. <p>(b) In case of special business as aforesaid, an</p>

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explanatory statement as required under Section 102 of the Act shall be annexed to the notice of the meeting.

<i>Quorum at General Meetings</i>	87	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
<i>Chairman of General Meeting</i>	88	The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company.
<i>Election of Chairman</i>	89	<p>If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of the directors to be Chairperson of the meeting.</p> <p>If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of them to be Chairperson of the meeting.</p>
<i>Adjournment of Meeting</i>	90	(a) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon a requisition of members under Section 100 of the Act shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at

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the same time and place, unless the same shall be a public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present, and not being less than two persons, shall be a quorum and may transact the business for which the meeting was called.

- (b) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting at Meeting 91 At any general meeting, a resolution put to the vote

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at the meeting shall, unless a poll is demanded under section 109 or the voting is carried out electronically, be decided on a show of hands.

A declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands under sub-section (1) and an entry to that effect in the books containing the minutes of the meeting of the company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

<i>Voting Rights of Members</i>	92	<p>(a) On a show of hands every member holding equity shares and present in person shall have one vote.</p> <p>(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his share of the paid up equity share capital.</p> <p>(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.</p> <p>(d) A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.</p>
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<i>Voting by Joint-holders</i>	93	<p>In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
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<i>Voting by Member of Unsound Mind</i>	94	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll vote by proxy.
<i>Business Pending Poll</i>	95	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
<i>Decision by Poll</i>	96	If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.
<i>Poll to be Immediate</i>	97	A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.
<i>No Right to Vote Unless Calls are Paid</i>	98	No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
<i>Casting Vote of Chairman</i>	99	In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which

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the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member.

<i>Passing Resolutions by Postal Ballot</i>	100	(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Sub Rule 16 of Rule 22 of the Companies (Management and Administration) Rules, 2014 or other applicable law to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company. (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014, as amended from time.
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I. PROXIES AND REPRESENTATIVES OF BODIES CORPORATE

<i>Proxy</i>	101	On a poll, votes may be given either personally or by proxy.
<i>Instrument of Proxy</i>	102	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting

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at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

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| <i>Validity of Proxy</i> | 103 | A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used. |
| Authorised Representative of Bodies Corporate | 104 | A body corporate (whether a Company within the meaning of the Act or not) may, if it is a member of the Company, by resolution of its Board of Directors or other Governing Body, authorise such person as it thinks fit, to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. If such body corporate be a creditor (including a holder of debentures) of the Company, it may by resolution of the Board of Directors or other Governing Body, authorise such person as it thinks fit, to act as its representative at any meeting of any creditor of the Company held in pursuance of the Act or any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be. |

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A person authorised by a resolution as aforesaid, shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were a member, creditor or holder of debentures of the Company. He shall be counted for the purpose of ascertaining whether a quorum of members is present.

The production at the meeting of a copy of such resolution duly signed by one Director of such body corporate the Company or by the Managing Director/Manager or other duly authorised officer thereof and certified by him or them as being a true copy of the resolution may, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment.

J. BOARD OF DIRECTORS

<i>Number of Directors</i>	105	Subject to the provisions of the Act, the number of directors shall not be less than three and not more than fifteen.
<i>First Directors</i>	106	The first Directors of the Company were: <i>a. Mr. Adesh Kumar Gupta</i> <i>b. Mr. Vikram Dhondur Rao</i> <i>c. Mr. Natarajan Vishwanathan Balachander</i>
<i>Share Qualification Not Necessary</i>	107	Any person, whether a member of the Company or not, may be appointed as a Director and no qualification by way of holding shares shall be required of any Director.

<p><i>Director's Power to Fill-up Casual Vacancy</i></p>	<p>108</p>	<p>Subject to the provisions of the Act and these Presents, the Board shall have a power to appoint any person as a Director, to fill a casual vacancy at any time & from time to time and any Director so appointed to fill a casual vacancy shall hold office only upto the date till which the Director in whose place he is appointed would have held office, if it had not been vacated.</p>
<p><i>Nominee Directors</i></p>	<p>109</p>	<p>(a) The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, body corporate, corporation that he or it shall have the right to appoint /remove his or its nominee on the Board of the Company upon such terms and conditions as the Company may deem fit. Such nominee and their successors in office appointed under this Article shall be called Nominee Directors of the Company.</p> <p>(b) The Nominee Directors as appointed above shall be entitled to hold office until required to retire by rotation or requested to retire by the person, firm, body corporate, corporation who may have appointed him/them. If required to retire by rotation, the Nominee Directors will be entitled to stand for re-election. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the person, firm, body corporate, corporation who appointed such Nominee Director may appoint any other Director in his place. The Nominee</p>

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Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid, a Nominee Director shall be entitled to the same, rights and privileges and be subject to the same obligation as any other director of the Company.

(c) To appoint a nominee director on the Board of the Company at the earliest and not later than one month from the date of receipt of nomination from the debenture trustee(s) in the event of:

- (i) two consecutive defaults in payment of interest to the debenture holders; or
- (ii) default in creation of security for debentures or
- (iii) default in redemption of debentures.¹

*Additional
Directors*

- 110 (a) The Board of Directors shall have a power to appoint one or more persons as Additional Directors at any time & from time to time provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed.
- (b) An additional Director so appointed shall hold office up to the date of the next Annual General Meeting of the Company and shall be eligible for appointment by the Company as a Director at that Meeting subject to provisions of the Act.

Alternate Directors

- 111 (a) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
- (b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been

1. Amended vide Special Resolution passed by the members of the Company at their Annual General Meeting held on September 28, 2023

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appointed and shall vacate the office if and when the Original Director returns to India.

- (c) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

*Remuneration of
Directors*

- 112 (a) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (b) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by the members of the Company.
- (c) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (i) in attending and returning from meetings of the Board or any committee thereof or general meetings of the company; or
- (ii) in connection with the business of the company.
- (d) The fees payable to a Director for attending a Meeting of the Board or Committee thereof or a General Meeting shall be decided by the Board from time to time, within the maximum limits of such fees that may be prescribed by the Act or the Central Government or if not so

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prescribed, in such manner as the Board may decide from time to time in conformity with the provisions of law.

- (e) The Directors shall be paid such further remuneration (if any) either on the basis of percentage on the net profit of the Company or otherwise as the Company in General Meeting may from time to time determine and such further remuneration shall be divided amongst the directors in such proportion and manner as the Board may from time to time determine.

Remuneration for Extra Services 113 If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a member of any Committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

Continuing Director May Act 114 The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a

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general meeting of the Company but for no other purpose.

Vacation of Office of Director 115 The Office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 167 of the Act.

Equal Power to Director 116 Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

K. ROTATION AND RETIREMENT OF DIRECTOR

One-Third of Directors to Retire Every Year 117 (a) Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

(b) A retiring Director shall be eligible for re-appointment and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

Which Director to Retire 118 The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

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<i>Retiring Director to Remain in Office Till Successors Appointed</i>	119	Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the retiring Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned Meeting.
<i>Directors Not Liable for Retirement</i>	120	<p>Subject to the provisions of the Act, the Company in general meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.</p> <p>Independent Directors of the Company appointed in terms of the provisions of the Act shall not be subject to retirement by rotation.</p>
<i>Increase or Reduction in the Number of Directors</i>	121	Subject to the provisions of Section 149, 150 and 152 of the Act, the Company may by an Ordinary Resolution passed by the members of the Company, increase or reduce the number of its Directors.

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<i>Power to Remove Director by Ordinary Resolution</i>	122	Subject to the provisions of the Act, the Company may by an Ordinary Resolution passed by the members of the Company, remove any Director before the expiration of his period of office and may appoint another person instead.
<i>Right of Persons Other Than Retiring Directors to Stand for Directorship</i>	123	A person not being a retiring Director shall, in accordance with Section 160 of the Act, be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has served on the Company, a notice signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be, along with the prescribed deposit amount under the Act, which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as a Director.
<i>Directors may Contract with the Company</i>	124	(a) Subject to the provisions of Section 185, 188, 184 and 190 and other applicable provisions, if any, of the Act read with Rules made thereunder, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract, or arrangement entered into by or on behalf of the Company with such Director or with any company, body corporate or partnership in which he shall be a member or otherwise

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interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established. However, such Directors shall disclose the nature of such interest at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

- (b) A general notice such as is referred to in Section 184 of the Act shall be sufficient disclosure under this Article as provided in that Section.

*Director for
Companies
Promoted by the
Company*

- 125 Directors of the Company may be or become a Director of any company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company subject to compliance with applicable provisions of the Act.

L. PROCEEDING OF BOARD OF DIRECTORS

*Meetings of the
Board*

- 126 (a) The Board shall meet at least once in every three months for such business and proceedings as it thinks fit in accordance with the provisions of the Act, provided that at least four such meetings shall be held in every year.

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present at the meeting, the directors present may choose one of the Directors present to be the Chairperson of the meeting.

Questions How Decided

- 129 (a) Save as otherwise expressly provided in the Act, a meeting of the Board, for the time being at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of Votes.
- (b) In case of an equality of votes, the Chairman shall have a casting vote in addition to his vote as Director.

Delegation of Powers

- 130 (a) The Board may, subject to the provisions of the Act, delegate any of its powers to any committee(s) of the Board, consisting of such members as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the power so delegated conform to the regulations that may be imposed on it by the Board.

Election of Chairman of Committee

- 131 (a) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
- (b) The quorum of a committee may be fixed by the Board of Directors and applicable

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provisions of these presents shall *mutatis mutandis* apply to the meetings of such committee(s).

<i>Validity of Acts Done by Board or a Committee</i>	132	All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.
<i>Resolution by Circulation</i>	133	The Board may pass a circular resolution in writing in accordance with the provisions of Section 175 of the Act.
<i>Powers of Board</i>	134	Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or by the memorandum or these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting. No regulation made by

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the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that Regulation had not been made.

Pre-incorporation Expenses 135 The Board may pay all expenses incurred in getting up and registering the Company.

Maintenance of Foreign Register 136 The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

Borrowing Powers 137 (a) The Board of Directors may from time to time but with such consent of the Company in general meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a general meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose and in particular, but subject to the provisions of Section 179 and 180 and other applicable provisions of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or

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otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and may secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in general meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

- (b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or Managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.
- (c) Subject to provisions of the above sub-clause and applicable laws, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and

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upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

- (d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

<i>Assignment of Debentures</i>	138	Debentures may be assignable free from any equities between the Company and the person to whom the same may be issued.
<i>Term of Issue of Debentures</i>	139	Subject to applicable law, any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the

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consent of the Company in a general meeting by a Special Resolution.

<i>Register of Charges</i>	140	The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.
<i>Charge of Uncalled Capital</i>	141	Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may be authorized to, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such charge is executed.
<i>Subsequent Assigns of Uncalled Capital</i>	142	Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.
<i>Charge in Favour of Director for Indemnity</i>	143	Subject to applicable law, if the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

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*Powers to be
Exercised by Board
only by Meeting*

- 144 (a) The Board of Directors shall exercise powers as mentioned in Section 179 of the Act read with the Rules made thereunder on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board.
- (b) The Board of Directors may by a resolution passed at a meeting delegate to any committee of Directors or the Managing Director or to any person permitted by applicable law the powers specified below:
- (i) to borrow monies
 - (ii) to invest the funds of the company;
to grant loans or give guarantee or provide security in respect of loans;
- (c) Every resolution delegating the power set out in sub clause (b) (i) above shall specify the total amount up to which moneys may be borrowed by the said delegate.
- (d) Every resolution delegating the power referred to in sub-clause (b) (ii) above shall specify the total amount, up to which the fund may be invested and the nature of the investments which may be made by the delegate.
- (e) Every resolution delegating the power referred to in sub-clause (b) (iii) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum

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amount of loans which may be made for each such purpose in individual cases.

Making Liability of Directors Unlimited 145 The Company may, by Special Resolution in a general meeting, alter its memorandum of association so as to render unlimited the liability of its Directors or of any Director or manager in accordance with the provisions of the Act.

M. MANAGING DIRECTOR(S) AND/OR WHOLE-TIME DIRECTOR(S)

Managing Directors/ Whole-time Directors 146 (a) Subject to the provisions of the Act, the Board may from time to time and with such sanction of the Central Government required by the Act, appoint one or more of the Directors to the office of the Managing Director (which expression shall include Joint Managing Director/s) and/ or Whole-time Directors for such term and subject to such remuneration, terms and conditions as it may think fit.

(b) The Board may from time to time resolve that there shall be either one or more Managing Directors and/ or Whole-time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director and/or Whole-time Director, the vacancy shall be filled by the Board, subject to the approval of the members.

(d) If a Managing Director and/or Whole-time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/ Whole Time Director.

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| <i>Terms of Appointment of Managing Director</i> | 147 | (a) | Subject to the provisions of Section 152 of the Act and other applicable laws, the Managing Director and/or Whole-time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or Whole-time Director and he shall be subject to the same provisions as to qualifications, resignation and removal as the other Directors of the Company. |
| | | (b) | The remuneration of the Managing Director or Whole-time Director shall from time to time be fixed in accordance with the provisions of the Act and may be by way of a fixed salary or commission or participation in profits or by any or all of these modes or in any other form and may be in addition to the remuneration for attendance at Board Meetings as may be provided under the other provisions of these presents and may provide for minimum remuneration in case of loss, inadequacy or absence of profits. |
| <i>Powers and Duties of Managing Director or Whole-time Director</i> | 148 | (a) | The Managing Director or Whole-time Director shall, subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise all powers exercisable by the Directors, save and except such powers to be exercised by the Board or by Company in General Meeting as per the provisions of the Act or by these Articles, shall be and Board may, confer upon and entrust the Managing Director or Whole-time Director with |

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such powers as may be thought expedient by the Board, for such objects and purposes and upon such terms and conditions and with such restrictions. Such powers may from time to time be revoked, withdrawn, altered or varied partially or fully by the Board.

- (b) The Board of Directors may, whenever there are more than one Managing Director, decide whether they should act jointly or severally, and may if they think fit, delegate powers separately to one or more Managing Directors.

<i>Reimbursement of Expenses</i>	149	The Managing Directors/ whole time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part-time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.
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N. Manager, CEO, Company Secretary and CFO

<i>Manager</i>	150	(a) Subject to the applicable provisions of the Act, the Board may from time to time, after obtaining such sanctions and approvals as may be necessary, appoint an individual to be a Manager of the Company for a period not exceeding five years at a time and upon such terms and conditions as they may deem fit and may from time to time (subject to the provisions of any contract between him and
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the Company) remove or dismiss him from office, and appoint another in his place. A Director may be appointed as the Manager of the Company.

- (b) The remuneration of the Manager, shall from time to time be fixed in accordance with the provisions of the Act and may be by way of fixed salary or commission or participation in profits or by any or all of these modes or partly in one way and partly in another.
- (c) A Manager so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a resolution of the Board or General Meeting, and shall be subject to the obligations and restrictions imposed in that behalf by the Act.

*Chief Executive
Officer, Company
Secretary and
Chief Financial
Officer*

- 151 (a) Subject to the applicable provisions of the Act, a Chief Executive Officer, Company Secretary and Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Company Secretary and Chief Financial Officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

- (b) A director may be appointed as chief executive

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officer, manager, company secretary or chief financial officer.

- (c) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, Chief Executive Officer, Company Secretary or Chief Financial Officer.

O. COMMON SEAL

<i>Custody of Common Seal</i>	152	Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.
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<i>Procedure for affixing of the Seal</i>	153	<p>(a) The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least 2 Directors or any two persons as the Board may appoint for the purpose.</p> <p>(b) Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by a</p>
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Director or the persons/secretary aforesaid in whose presence the seal shall have been affixed PROVIDED NEVERTHELESS THAT any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

- (c) Save as otherwise expressly provided by the Act, a document or proceeding requiring authentication by the Company may be signed by a Director or the Secretary or any other Officer authorised in that behalf by the Board and need not be under its Seal.

P. DIVIDEND

<i>Manner of declaration of Dividends</i>	154	The Company may declare dividends in general meeting, but no dividend shall exceed the amount recommended by the Board however the Company in general meeting may declare a lesser dividend.
<i>Interim Dividends</i>	155	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
<i>Setting Aside of Reserves and carry forward of profits</i>	156	(a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly

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applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

- (b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

*Dividend to be
Paid in Proportion
to Amount Paid-up*

157

- (a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for

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dividend as from a particular date such share shall rank for dividend accordingly.

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|---|-----|-----|---|
| <i>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom and Retention of dividends</i> | 158 | (a) | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. |
| | | (b) | The Board may retain the dividend payable upon shares in respect of which any person is entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same. |
| <i>Remittance of Dividends</i> | 159 | (a) | Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. |
| | | (b) | Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. |
| | | (c) | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company shall not be |

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liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto, by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

- (d) A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer and subject to the provisions of these presents, no dividend shall be payable to any person whose name does not appear on the register of members except with the authority, special or general, of the Board.

<i>Receipt of one holder sufficient</i>	160	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
<i>Notice of Dividend</i>	161	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
<i>No interest on Dividends</i>	162	No dividend shall bear interest against the Company.
<i>Waiver of Dividends</i>	163	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the

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extent that the same is accepted as such or acted upon by the Board.

Q. INSPECTION AND COPIES

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| <i>Inspection of Registers</i> | 164 | The Company shall maintain all Registers, Books and Documents as required to be maintained by the Company under the Act from time to time. The said Registers, Books and Documents shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act during business days during 2.00 p.m to 4.00 p.m or as otherwise may be determined by the Company in General Meeting. A company may on payment of fee not exceeding Re. 5 per page or such other reasonable fee as may be prescribed by the Board provide a copy of each of the above documents. |
| <i>Copies of Documents</i> | 165 | <p>A company shall on payment of fee not exceeding Re. 5 per page or such other reasonable fee as may be prescribed by the Board in compliance with Section 17 of the Act, send a copy of each of the following documents to a member within seven days of the request being made by him-</p> <ul style="list-style-type: none">(a) the Memorandum of Association of the Company;(b) these Articles;(c) every agreement and every resolution referred to in sub-section (1) of section 117, if and so far as they have not been embodied in the memorandum and these Articles. |
| <i>Inspection of Registers</i> | 166 | <p>The register of charges and the instrument of charges kept by the company shall be open for inspection-</p> <ul style="list-style-type: none">(a) by any member or creditor of the company |

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without fees;

- (b) by any other person on payment of fees not exceeding Rs. fifty for each inspection on a day.

R. ACCOUNTS & ANNUAL RETURN

- | | | |
|------------------------------------|-----|--|
| <i>Books of Account to be Kept</i> | 167 | <p>(a) The Board shall cause the accounts to be kept of</p> <ul style="list-style-type: none">- all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditures take place on accrual basis and according to the double entry system of accounting;- all sales and purchases of goods by the Company; and- the assets, credits and liabilities of the Company. <p>(b) If the Company has a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office and proper summarized returns made upto date at such intervals as may be deemed fit by the Board, shall be sent by Branch Office to the Company at its Office or to such other place in India, where the main books of the Company are kept.</p> <p>(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.</p> |
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<i>Where Books of Accounts to be Kept</i>	168	The books of accounts shall be kept at the Registered Office or at such other place in India as the Board deems fit.
<i>Inspection by Members</i>	169	<p>(a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>(b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
<i>Annual Return</i>	170	The Company shall make the requisite annual returns in accordance with Section 92 of the Act .

S. AUTHENTICATION OF DOCUMENTS

<i>Authentication of Documents and Proceedings</i>	171	Save as otherwise expressly provided in the Act or these presents, a document or proceeding requiring authentication by the Company may be signed by any Director (including the Managing Director), Key Managerial Personnel, Manager or an authorized Officer of the Company and need not bear its seal and shall be so authenticated in the manner provided in Rule 8 of Companies (Registration Offices and Fees) Rules, 2014.
<i>Execution of negotiable instruments</i>	172	All cheques, promissory notes, drafts, <i>hundis</i> , bills of exchange and other negotiable instruments and all receipts for monies paid to the company, shall be

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signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

T. AMALGAMATION

<i>Amalgamation</i>	173	The Company, subject to the provisions of the Act and Rules made thereunder and also subject to the provisions of these presents, may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate.
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U. WINDING UP

<i>Winding up of the Company</i>	174	<p>Subject to the provisions of the Act and rules made thereunder—</p> <p>(a) If the company shall be wound up, the liquidator may, with the approval of the members, obtained by way of a special resolution and with any other approval required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees</p>
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upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

V. INDEMNITY AND INSURANCE

*Director's and
Officers' Right to
Indemnity*

- 175 (a) Subject to the provisions of the Act, every Director (including the Managing Director), Key Managerial Personnel, Manager and other Officer or employee of the Company, shall be indemnified by the Company against any liability incurred by them on behalf of the Company and it shall be the duty of Directors, to pay, out of the funds of the Company, all costs and losses and expenses (including traveling expenses) which any Director (including the Managing Director), Key Managerial Personnel, Manager and other Officer or employee of the Company may incur or become liable to, by reason of any contract entered into or act or deed done by him in his capacity as such Director (including the Managing Director), Key Managerial Personnel, Manager, Secretary and other Officer or employee of the Company, in any way in the discharge of his duties in such capacity.
- (b) Subject as aforesaid every Director, Managing Director, Manager, Company Secretary or other Officer or employee of the Company shall be indemnified against any liability incurred by them or in defending any

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proceeding, whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court.

<i>Insurance</i>	176	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel, for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable under the law but would have acted honestly and reasonably, in fact.
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<i>Directors and other Officers not responsible for acts of others</i>	177	Subject to applicable law, no Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act or conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, Company or corporation with whom any money securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever shall happen in the execution of the duties of his office or in relation
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thereto, unless the same happens through wilful misconduct or neglect or dishonesty.

W. SECRECY CLAUSE

<i>Secrecy</i>	178	Save as provided in these presents and the Act, no member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the specific permission of Company/ the Board in that regard or to require discovery of or any information respecting any detail of the Company's trading or any mailer which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and sharing of which in the opinion of the Board will be inexpedient in the interest of the Company.
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X. GENERAL POWER

<i>General Power</i>	179	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
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Name, Address, Occupation & Description of each Subscriber	Signature Of Subscriber	Signature of Witness: name, address, description & occupation
Laxminarayan Investment Limited Indian Rayon Compound, Junagadh - Veraval Road, Veraval - 362 266 (represented by its Company Secretary Rakesh Gupta) Camp: Bangalore	Sd/-	Witness for all Sd/- B S Ranganatha No. 108/2, 1st Floor, Khilar Road, Bangalore 560053 Occupation : Service
Pinky Mehta W/o Mr. Atul Mehta 102, Anand Kanchan, Phirozshah Mehta Road, Vileparle (east) Mumbai 400 057 Occupation: Service Camp: Bangalore	Sd/	
Manoj Kedia S/o Shri G. D. Kedia B-305, Shree palace, Satya Nagar, Saibaba Nagar, Borivali (west), Mumbai 400 092 Occupation: Service Camp: Bangalore	Sd/	
N V Balachandar S/o C. N. Vishwanathan No. 123, Lake shore Home, Kasavanahalli, Bellandur post, Bangalore 560 037 Occupation: Senior Corporate Executive	Sd/	
Anil Rustogi S/o Jagdish Prasad Rustogi 8, Sonika, Gulmohar Cross Road, 9th Extn, JVPD scheme, Juhu, Mumbai 400 049 Occupation: Service Camp: Bangalore	Sd/	
Adesh Kumar Gupta S/o Shri R.K. Gupta 701, Tagore Avenue, Tagore Road, Santacruz (west) Mumbai 400 054 Occupation: Company Executive Camp: Bangalore	Sd/	

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Vikram Rao S/o Mr. Belegundu. Raja Dhondur Rao, 345, 16th Main, III Block, II cross, Koramangala, Bangalore 560 034 Occupation: Senior Corporate Executive	Sd/	
PLACE : Bangalore DATED: March 5, 2007		

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por
"G. Patel & Co."

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13521-410

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORDINARY ORIGINAL JURISDICTION

COMPANY PETITION NO. 250 OF 2009

CONNECTED WITH

COMPANY APPLICATION NO. 410 OF 2009

Copy applied on 29-1-10
Copy ready on 19-2-10
Copy Delivered on 14-2-10
Sent by
Regd. by Post
19-2-10
By S.O.



In the matter of the Companies Act,
1956;

And

In the matter of Sections 391 to 394 of
the Companies Act, 1956;

And

In the matter of Peter England Fashions
and Retail Limited;

And

In the matter of the Composite Scheme
of Arrangement between Aditya Birla
Nuvo Limited and Madura Garments
Exports Limited and MG Lifestyle
Clothing Company Private Limited and
Peter England Fashions and Retail
Limited and their respective
shareholders and creditors;

Peter England Fashions and Retail
Limited, a company incorporated
under the Companies Act, 1956 and
having its registered office at Indian
Rayon Compound, Veraval-362 266,
Gujarat.

..... **Petitioner Company**

BEFORE THE HON'BLE MR. JUSTICE D. A. MEHTA, J

DATE: 28/01/2010

ORDER ON PETITION

The above Petition coming for hearing on 28th day of January, 2010,
UPON READING the said Petition, the order dated 13th day of November

2009 in Company Application No. 410 of 2009, whereby the meetings of the equity shareholders and preference shareholders of the Petitioner abovenamed (hereinafter referred to as "the said Company") were dispensed with in view of the consent letters obtained from them and **UPON** reading the order dated 13th day of November 2009, whereby the meetings of the creditors of the said Company were dispensed with in view of the fact that the interest of the creditors is not likely to be affected by the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Madura Garments Exports Limited and MG Lifestyle Clothing Company Private Limited and Peter England Fashions and Retail Limited and their respective shareholders and creditors ("Composite Scheme") and **UPON** reading the order dated 13th day of November 2009, whereby no separate procedure is required to be carried out since reductions of the Equity Share Capital and Preference Share Capital do not involve either diminution of any liability in respect of unpaid capital or payment to any shareholder of any paid up capital and **UPON** reading the Affidavit of Shri Ashish Agarwal, Company Secretary of the said Company, dated the 22nd day of December 2009, verifying the Petition and **UPON** reading the Affidavit of Shri Ashish Agarwal, dated 8th day of January 2010 showing publication of the notice of hearing of this Petition in English language in Indian Express, Ahmedabad Edition and in Gujarati language in Sandesh, Ahmedabad Edition both dated the 5th day of January 2010, (advertisement in the Gujarat Government Gazette having been dispensed with), and also showing the service of notices on the Regional Director, Ministry of Corporate Affairs and **UPON** hearing Shri Mihir Thakore and Shri Mihir Joshi, Senior Advocates for Singhi & Co., Advocates for the said Company and hearing the submissions of the Assistant Solicitor General, Mr. P. S. Champaneri instructed by the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai.



1. **THIS COURT** doth hereby sanction the said Composite Scheme at **Annexure 'I'** to the Petition and annexed as Schedule hereto, and doth hereby declare the same be binding on the said Company and the Equity Shareholders, Preference Shareholders, Secured Creditors and Unsecured Creditors of the said Company and all persons concerned under the Composite Scheme.

2. **THIS COURT** doth further order that the parties to the Composite Scheme or any other person or persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the Composite Scheme as sanctioned hereunder and annexed as Schedule hereto.
3. That the said Company do within 30 days of the sealing of this Order, cause a certified copy of this Order to be lodged with the Registrar of Companies, Gujarat at Ahmedabad for registration.
4. That the fees of the Assistant Solicitor General of India, appearing for the Regional Director, Ministry of Corporate Affairs, Mumbai, shall be paid by the said Company.



SCHEME

h

Composite Scheme
of
Arrangement
between
Aditya Birla Neco Limited
and
Madura Garments Exports Limited
and
MG Lifestyle Clothing Company Private Limited
and
Peter England Fashions and Retail Limited
and
their respective shareholders and creditors

Preamble

This Scheme (as defined hereinafter) is presented under sections 391 to 394 and other relevant provisions of the Act (as defined hereinafter), for amalgamation of the Transferor Companies (as defined hereinafter) with ABNL (as defined hereinafter), the demerger of the Demerged Undertaking (as defined hereinafter) of the Demerged Company (as defined hereinafter) and transfer of the Demerged Undertaking to ABNL, consequential re-organisation of the capital of the Demerged Company and for various other matters consequential, supplemental and/or otherwise integrally connected therewith.

A. Background, Rationale and Objectives

1. ABNL is a diversified conglomerate. It is a leading player in most segments it operates in viz. viscose filament yarn, carbon black, agri-business, textile and insulator. ABNL is also a leading player in the domestic market of branded garment business through its division *madura garment*. In recent years, ABNL through its subsidiaries and joint ventures has made successful forays into life insurance, telecom, business process outsourcing, IT services, garments and financial services.
2. Madura Exports (as defined hereinafter) is a wholly owned subsidiary of ABNL. Madura Exports is primarily in the business of contract export manufacturing of garments.
3. MG Lifestyle (as defined hereinafter) is a wholly owned subsidiary of ABNL. MG Lifestyle is in the business of manufacture of garments.



TRUE COPY

4. The Demerged Company is a wholly owned subsidiary of ABNL. The Demerged Company is engaged in the business of branded apparel in domestic and overseas market.
5. In order to achieve utmost synergy and efficiency of operations and management of the garment business, the Demerged Company, the Transferor Companies and ABNL have, as part of the business reorganization, decided to restructure their garment and apparel business in the interest of all stakeholders. Therefore, with a view to effect such reorganisation, the present Scheme is proposed.
6. The Scheme would, inter alia, result in the following:
 - (a) Integration of manufacturing and marketing & distribution of garment business in ABNL;
 - (b) Cost savings from standardisation and simplification of business processes, productivity improvements, improved procurement and integration and optimisation of various support functions, resources and the assets; and
 - (c) Easier and speedier decision making at all levels and better management and co-ordination.

B. Parts of the Scheme

The Scheme is divided into following parts:

- | | |
|-----------------|---|
| Part I | : deals with Definitions and Share Capital; |
| Part II | : deals with the amalgamation of the Transferor Companies with ABNL; |
| Part III | : deals with demerger of the Demerged Undertaking of the Demerged Company into ABNL; |
| Part IV | : deals with the Remaining Business of the Demerged Company; |
| Part V | : deals with re-organisation of the capital of the Demerged Company as a consequence of the demerger; and |
| Part VI | : deals with General Terms and Conditions applicable to the Scheme. |



PART I
DEFINITIONS AND SHARE CAPITAL

1. Definitions

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

- 1.1. "ABNL" means Aditya Birla Nuvo Limited, a company incorporated under the Act and having its registered office at Indian Rayon Compound, Veraval-362 266, Gujarat.
- 1.2. "Act" or "the Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
- 1.3. "Appointed Date" means 1st day of January 2010.
- 1.4. "Board of Directors" means the board of directors of ABNL or Madura Exports or MG Lifestyle or Peter England Fashions, as the case may be, and shall include a duly constituted committee thereof.
- 1.5. "Demerged Company" or "Peter England Fashions" means Peter England Fashions and Retail Limited, a company incorporated under the Act and presently having its registered office at Indian Rayon Compound, Veraval-362 266, Gujarat.
- 1.6. "Demerged Undertaking" means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situate, of Peter England Fashions pertaining to its domestic garment business, on a going concern basis, which shall mean and include (without limitation):

- (i) all properties and assets, movable and immovable, real and personal, in possession or reversion, corporeal and incorporeal, present and future, contingent or of whatsoever nature, wheresoever situate alongwith buildings, sheds, godowns, warehouses, offices, plant and machineries, vehicles, investments, interest, capital work-in-progress, rolling stock, current assets (including inventories, sundry debtors, bills of exchange, loans and advances, etc.), stocks and stores, furniture, fixtures, office equipments, appliances, computers, accessories, licenses, permits, quotas, approvals, registrations, leasehold rights, show rooms including those taken on leave and licence basis, tenancy rights in relation to office and residential properties, incentives, if any, claims, authorities, allotments, engagements, arrangements, rights, credits, titles, benefits, advantages, subsidies, grants, municipal permissions, consents, powers of every kind, nature and description whatsoever in connection with or pertaining or relatable to the domestic garment business of Peter England Fashions and all



other permissions, rights (including rights under any contracts, government contracts, memorandum of understanding, etc.); all entitlements, deposits, advances and/or moneys paid or received by Peter England Fashions in connection with or pertaining or relating to its domestic garment business; all statutory licenses and/or permissions to carry on the operations of the domestic garment business of Peter England Fashions and any financial assets, corporate guarantees issued by Peter England Fashions and the benefits of any bank guarantees issued in relation to and for the benefit of the domestic garment business of Peter England Fashions, deferred tax benefits, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, minimum alternate tax, service tax, etc.), various exemptions/incentives granted under different schemes of Central/State Governments, privileges, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the domestic garment business of Peter England Fashions;

(ii) all debts, liabilities including contingent liabilities, duties, taxes and obligations of Peter England Fashions pertaining to and/or arising out of and/or relating to its domestic garment business including:

- (a) the debts, liabilities, duties and obligations of Peter England Fashions which arise out of the activities or operations of the domestic garment business;
- (b) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the domestic garment business of Peter England Fashions;
- (c) liabilities other than those referred to in sub-clauses (a) and (b) above and not directly relating to the Remaining Business, being the amounts of general or multipurpose borrowings of Peter England Fashions, allocated to the domestic garment business of Peter England Fashions in the same proportion which the value of the assets transferred under this Scheme bears to the total value of the assets of Peter England Fashions immediately before giving effect to Part-III of the Scheme;

(iii) all deposits and balances with Government, semi Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or



received by Peter England Fashions directly or indirectly in connection with or relating to its domestic garment business;

- (iv) all necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the domestic garment business of Peter England Fashions;
- (v) all brands, trademarks, trade names, patents, copyrights, logos, designs, drawings, industrial designs, trade secrets and other intellectual property relating or pertaining to the domestic garment business of Peter England Fashions;
- (vi) all permanent employees of Peter England Fashions engaged in the domestic garment business as on the Effective Date;
- (vii) any question that may arise as to whether a specified asset or liability and/or employee pertains or does not pertain to the domestic garment business of Peter England Fashions or whether it arises out of the activities or operations of the domestic garment business of Peter England Fashions shall be decided by mutual agreement between the Board of Directors of Peter England Fashions and ABNL.

- 1.7. "Effective Date" means the last of the dates on which all conditions, matters and filings referred to in clause 27 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained. References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme being effective" shall mean the Effective Date.
- 1.8. "High Court" means the High Court of Gujarat at Ahmedabad and shall, if applicable, include the National Company Law Tribunal.
- 1.9. "Madura Exports" means Madura Garments Exports Limited, a company incorporated under the Act and presently having its registered office at Indian Rayon Compound, Veraval-362 266, Gujarat.
- 1.10. "MG Lifestyle" means MG Lifestyle Clothing Company Private Limited, a company incorporated under the Act and presently having its registered office at Indian Rayon Compound, Veraval-362 266, Gujarat.
- 1.11. "Record date" shall have the meaning ascribed to it in clause 20.2 hereof.



- 1.12. "Remaining Business" means all the businesses and divisions of the Demerged Company other than the Demerged Undertaking.
- 1.13. "Scheme" or "the Scheme" or "this Scheme" means this Composite Scheme of Arrangement in its present form filed with the High Court or with any modification(s) approved or imposed or directed by the High Court or modification(s) made under clause 26 hereof.
- 1.14. "Transferred Employees" shall have the meaning assigned to it in clause 18.1 hereof.
- 1.15. "Transferor Companies" means together "Madura Exports" and "MG Lifestyle" and "Transferor Company" means any one of them.
- 1.16. "Undertaking of Madura Exports" means all the business, undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situate of Madura Exports, on a going concern basis, which shall mean and include (without limitation):
- (i) all properties and assets, movable and immovable, real and personal, in possession or reversion, corporeal and incorporeal, present and future, contingent or of whatsoever nature, wheresoever situate alongwith buildings, sheds, godowns, warehouses, offices, plant and machineries, vehicles, investments, interest, capital work-in-progress, rolling stock, current assets (including inventories, sundry debtors, bills of exchange, loans and advances, etc.), stocks and stores, furniture, fixtures, office equipments, appliances, computers, accessories, licenses, permits, quotas, approvals, registrations, leasehold rights, tenancy rights in relation to office and residential properties, incentives, if any, claims, authorities, allotments, engagements, arrangements, rights, credits, titles, benefits, advantages, subsidies, grants, municipal permissions, consents, powers of every kind, nature and description whatsoever and all other permissions, rights (including rights under any contracts, government contracts, memorandum of understanding, etc.); all entitlements, deposits, advances and/or moneys paid or received by Madura Exports; all statutory licenses and/or permissions to carry on the operations of Madura Exports and any financial assets, corporate guarantees issued by Madura Exports and the benefits of any bank guarantees, deferred tax benefits, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, minimum alternate tax, service tax, etc.), various exemptions/incentives granted under different schemes of Central/State Governments, privileges, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations.



utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to Madura Exports;

- (ii) all debts, liabilities including contingent liabilities, duties, taxes and obligations of Madura Exports;
- (iii) all deposits and balances with Government, semi Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by Madura Exports directly or indirectly;
- (iv) all necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to Madura Exports;
- (v) all brands, trademarks, trade names, patents, copyrights, logos, designs, drawings, industrial designs, trade secrets and other intellectual property relating or pertaining to Madura Exports;
- (vi) all permanent employees of Madura Exports as on the Effective Date.

1.17. "Undertaking of MG Lifestyle" means all the business, undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situate of MG Lifestyle, on a going concern basis, which shall mean and include (without limitation):

- (i) all properties and assets, movable and immovable, real and personal, in possession or reversion, corporeal and incorporeal, present and future, contingent or of whatsoever nature, wheresoever situate alongwith buildings, sheds, godowns, warehouses, offices, plant and machineries, vehicles, investments, interest, capital work-in-progress, rolling stock, current assets (including inventories, sundry debtors, bills of exchange, loans and advances, etc.), stocks and stores, furniture, fixtures, office equipments, appliances, computers, accessories, licences, permits, quotas, approvals, registrations, leasehold rights, tenancy rights in relation to office and residential properties, incentives, if any, claims, authorities, allotments, engagements, arrangements, rights, credits, titles, benefits, advantages, subsidies, grants, municipal permissions, consents, powers of every kind, nature and description whatsoever and all other permissions, rights (including rights under any contracts, government contracts, memorandum of



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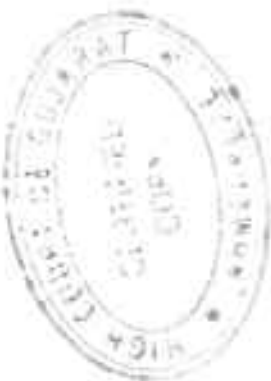
understanding, etc.); all entitlements, deposits, advances and/or moneys paid or received by MG Lifestyle; all statutory licenses and/or permissions to carry on the operations of MG Lifestyle and any financial assets, corporate guarantees issued by MG Lifestyle and the benefits of any bank guarantees, deferred tax benefits, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, minimum alternate tax, service tax, etc.), various exemptions/incentives granted under different schemes of Central/State Governments, privileges, all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to MG Lifestyle;

- (ii) all debts, liabilities including contingent liabilities, duties, taxes and obligations of MG Lifestyle;
- (iii) all deposits and balances with Government, semi Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by MG Lifestyle directly or indirectly;
- (iv) all necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to MG Lifestyle;
- (v) all brands, trademarks, trade names, patents, copyrights, logos, designs, drawings, industrial designs, trade secrets and other intellectual property relating or pertaining to MG Lifestyle;
- (vi) all permanent employees of MG Lifestyle as on the Effective Date.

1.18. "Undertakings of the Transferor Companies" means together the "Undertaking of Madura Exports" and "Undertaking of MG Lifestyle" and "Undertaking of Transferor Company" means individually each of those as the context may require.

2. Date of taking effect and operative date of the Scheme

This Scheme shall be effective from the Appointed Date, but shall be operative from the Effective Date.



3. Share capital

- 3.1. The share capital structure of ABNL as on 30th September 2009 is as under:

Particulars	Amount (Rupees in Crores)
Authorized Capital:	
17,50,00,000 Equity Shares of Rs.10/- each	175.00
5,00,000 Redeemable Preference Shares of Rs. 100/- each	5.00
Total	180.00
Issued, Subscribed and Paid-up Capital:	
9,50,09,475 fully paid-up Equity Shares of Rs.10/- each	95.01
Total	95.01

- 3.2. The share capital structure of Madura Exports as on 30th September 2009 is as under:

Particulars	Amount (Rupees in Crores)
Authorized Capital:	
4,55,00,000 Equity Shares of Rs.10/- each	45.50
55,65,000 Redeemable Cumulative Non Participative Preference Shares of Rs. 100/- each	55.65
Total	101.15
Issued, Subscribed and Paid-up Capital:	
4,28,30,008 fully paid-up Equity Shares of Rs.10/- each	42.83
30,000 10% Redeemable Cumulative Non Participative Preference Shares of Rs. 100/- each	0.3
50,00,000 8% Redeemable Cumulative Non Participative Preference Shares of Rs. 100/- each	50.00
5,20,000 7.75% Redeemable Cumulative Non Participative Preference Shares of Rs. 100/- each	5.20
10,000 6% Redeemable Cumulative Non Participative Preference Shares of Rs. 100/- each	0.10
Total	98.43

Madura Exports is a wholly owned subsidiary of ABNL.



- 3.3. The share capital structure of MG Lifestyle as on 30th September 2009 is as under:

Particulars	Amount (Rupees in Crores)
Authorized Capital:	
7,50,000 Equity Shares of Rs. 10/- each	0.75
8,25,000 Preference shares of Rs. 100/- each	8.25
Total	9.00
Issued, Subscribed and Paid-up Capital:	
5,00,000 fully paid-up Equity Shares of Rs. 10/- each	0.50
1,80,000 9% Redeemable Cumulative Preference shares of Rs. 100/- each	1.80
5,70,000 7% Redeemable Cumulative Participative Preference shares of Rs. 100/- each	5.70
Total	8.00

MG Lifestyle is a wholly owned subsidiary of ABNL.

- 3.4. The share capital structure of Peter England Fashions as on 30th September 2009 is as under:

Particulars	Amount (Rupees in Crores)
Authorized Capital:	
1,00,00,000 Equity Shares of Rs. 10/- each	10.00
1,00,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each	10.00
15,000 Redeemable Cumulative Preference Shares of Rs. 100/- each	0.15
Total	20.15
Issued, Subscribed and Paid-up Capital:	
1,00,00,000 Equity Shares of Rs. 10/- each	10.00
1,00,00,000 8% Redeemable Cumulative Preference Shares of Rs. 10/- each	10.00
10,000 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	0.10
Total	20.10

Peter England Fashions is a wholly owned subsidiary of ABNL.



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PART-II
AMALGAMATION OF THE TRANSFEROR COMPANIES
WITH ABNL

Part-II of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of Part-II are found or interpreted to be inconsistent with the provisions of section 2(1B) 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(1B) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with said section 2(1B) of the Income Tax Act, 1961. Such modifications will however not affect the other parts of the Scheme.

4. Transfer and Vesting of the Undertakings of the Transferor Companies

4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertakings of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in ABNL as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of ABNL, pursuant to section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the same or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in ABNL by virtue of the amalgamation and ABNL shall not be obliged to create any further or additional security therefore after coming into effect of this Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, ABNL will create the security in terms of the issue or arrangement in relation thereto. Similarly, ABNL shall not be required to create any additional security over assets acquired by it under the Scheme for any loans or other financial assistance availed/to be availed by it.

4.2. All assets, estate, rights, title, interest and authorities acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date for operation of the Transferor Companies or pertaining to or relating to the Transferor Companies shall also stand



transferred to and vested in ABNL upon coming into effect of this Scheme.

- 4.3. In respect of such of the assets of the Undertakings of the Transferor Companies as are moveable in nature or are otherwise capable of transfer by physical delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies, and shall become the property, estate, assets, rights, title, interest and authorities of ABNL as an integral part of the Undertakings of the Transferor Companies transferred to it.
- 4.4. In respect of such of the assets of the Undertakings of the Transferor Companies other than those referred to in clause 4.3 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in ABNL pursuant to the provisions of Section 394 of the Act. It is hereby clarified that all rights, title and interest of the Transferor Companies in any leasehold properties in relation to the Undertakings of the Transferor Companies shall, pursuant to section 394(2) of the Act, without any further act, instrument or deed, be transferred to and vested in or be deemed to have been transferred to and vested in ABNL.
- 4.5. All outstandings and receivables of the Transferor Companies shall on and from the Appointed Date stand transferred to and vested in ABNL without any notice or other intimation to the debtors (although ABNL may, if it so deems appropriate, give notice to the debtors that the debts do stand transferred to and vested in ABNL), and the debtors shall be obliged to make payments to ABNL.
- 4.6. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences including advance licences and EPCG licences, certificates, registrations, clearances, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Companies, and the rights and benefits under the same, and all product and brand registrations, quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets, product registrations and other intellectual properties and all other interests relating to the goods or services being dealt with by the Transferor Companies, shall be transferred to and vested in ABNL and the concerned licensors and grantors of such approvals, clearances, permissions, shall endorse, where necessary, and record ABNL on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Transferor Companies in ABNL and continuation of operations of the Transferor Companies in ABNL without any hindrance.
- 4.7. In so far as the various incentives, service-tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants,



special status, income tax holiday/benefit/losses, depreciation allowance and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to ABNL on the same terms and conditions.

- 4.8. All taxes (including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date shall be on account of the Transferor Companies and, in so far as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by ABNL, and, shall, in all proceedings, be dealt with accordingly.
- 4.9. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Companies shall, pursuant to the provisions of section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in ABNL, so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of ABNL on the same terms and conditions as were applicable to the Transferor Companies and further that it shall not be necessary to obtain the consent of any person who is a party to any contract or arrangement by virtue of which such liabilities and obligations have arisen in order to give effect to the provisions of this clause.



5. Legal Proceedings

If any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies or anything contained in this Scheme, but the said suit, appeal or other proceedings may be continued, prosecuted and enforced, as the case may be, by or against ABNL in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies, if the Scheme had not been made.

6. Contracts, deeds etc.

6.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Companies are parties or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect on the Effective Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of ABNL, as the case may be, and may be enforced by or against ABNL as fully and effectively as if, instead of the Transferor Companies, ABNL had been a party or beneficiary or obligee thereto.

6.2. Notwithstanding the fact that vesting of the Undertakings of the Transferor Companies occurs by virtue of this Scheme itself, ABNL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute such deeds (including deeds of adherence), writings or confirmations or enter into any tripartite arrangements or novations with any party to any contract or arrangement to which any of the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions. ABNL shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.

7. Saving of concluded transactions

The transfer and vesting of the assets, liabilities and obligations under clause 4 above and the continuance of the proceedings by or against ABNL under clause 5 above shall not affect any transactions or proceedings already concluded by the Transferor Companies prior to the coming into effect of this Scheme, to the end and intent that ABNL accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Companies as acts, deeds and things done and executed by and on behalf of ABNL.

8. Employees of the Transferor Companies

8.1. The permanent employees of the Transferor Companies who are in service on the Effective Date, shall become the employees solely of ABNL in such position, rank and designation as may be determined by ABNL with the benefit of continuity of service and such that the



terms and conditions of their employment with ABNL are not less favourable than those applicable to them as employees of the Transferor Companies on the Effective Date.

- 8.2. With regard to provident fund, gratuity fund, superannuation fund or any other special fund created, participated or existing for the benefit of such employees of the Transferor Companies, upon the Scheme being effective, ABNL shall stand substituted for the Transferor Companies for all purposes whatsoever in relation to the administration or operation of such fund or funds and 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 or other documents provided that if ABNL finds it desirable for the smooth administration, management, operation and uniformity of such funds, the same may be merged with similar funds of ABNL. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such schemes or funds shall become those of ABNL. It is clarified that the services of the permanent employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid schemes, fund, trusts etc.
- 8.3. ABNL shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Companies with any employees of the Transferor Companies. ABNL agrees that for the purpose of payment of any retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Companies shall also be taken into account, and further agrees and undertakes to pay the same as and when payable.



9. **Business and property in trust and conduct of business for ABNL.**
With effect from the Appointed Date and up to and including the Effective Date:
 - 9.1. The Transferor Companies shall be carrying on and be deemed to have been carrying 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, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for ABNL and shall account for the same to ABNL;
 - 9.2. all income or profits accruing or arising to the Transferor Companies or all costs, charges, expenses or losses arising or incurred by the Transferor Companies (including the effect of taxes, if any, thereon) shall, for all purposes, be treated as profits, income, costs, charges, expenses, taxes or losses, as the case may be, of ABNL;

- 9.3. The Transferor Companies hereby undertake that they will preserve and carry on their respective business with diligence and utmost business prudence and agrees that it will not, without prior written consent of ABNL, alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its properties or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees without the concurrence of ABNL or undertake substantial expansion or change the general character or nature of its business.

10. Cancellation of shares

Since ABNL and its nominees hold the entire issued, subscribed and paid up capital of the Transferor Companies, the entire share capital held by ABNL in the Transferor Companies shall stand cancelled and extinguished upon the Scheme being effective and in view thereof no allotment of any shares in ABNL shall be made to any person whatsoever.

11. Accounting

- 11.1. The accounting treatment in respect of the Scheme in ABNL's book shall be in accordance with the generally accepted accounting principles and applicable accounting standards.
- 11.2. Notwithstanding the foregoing provisions, the Board of Directors of ABNL, in consultation with its auditors, is hereby authorised to account for the balances in any manner whatsoever in case of any difficulty or as may be otherwise deemed expedient by them.
- 11.3. Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between or amongst the Transferor Companies and ABNL, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of ABNL. For the removal of doubt, it is clarified that from the Appointed Date there would be no accrual of interest or other charges in respect of any loans, advances, deposits, balances or other obligations between or amongst the Transferor Companies and ABNL.

12. Treatment of Taxes

- 12.1. Any tax liabilities under the Income Tax Act, 1961, or other applicable laws/regulations dealing with taxes/duties/levies (hereinafter in this clause referred to as "Tax Laws") allocable or related to the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date



immediately preceding the Appointed Date shall be transferred to ABNL. Any surplus in the provision for taxation/duties/levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of ABNL.

- 12.2. Any refund under the Tax Laws due to the Transferor Companies consequent to the assessments made on the Transferor Companies shall also belong to and be received by ABNL.

13. Dissolution of the Transferor Companies

Upon the Scheme being effective, the Transferor Companies shall stand dissolved without winding up pursuant to the provisions of section 394 of the Act.

PART-III **DEMERGER**

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



14. Transfer and vesting of the Demerged Undertaking

- 14.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Demerged Undertaking shall, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in ABNL or be deemed to have been demerged from the Demerged Company and transferred to and vested in ABNL as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, title, interest and authorities of ABNL, pursuant to section 394(2) of the Act, subject however, to subsisting charges, if any, thereon in favour of the banks and/or financial institutions and/or

secured lenders of the Demerged Company. It is hereby clarified that upon the Scheme being effective, the guarantees issued by ABNL in favour of the banks and/or financial institutions and/or secured lenders of the Demerged Company shall, without any further act, instrument or deed, stand reduced and be available to the concerned banks and/or financial institutions and/or secured lenders only to the extent of the loans and borrowings which shall continue to remain within the Demerged Company and pertaining to and/or relating to the Remaining Business.

- 14.2. All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking shall also stand transferred to and vested in ABNL upon coming into effect of this Scheme.
- 14.3. In respect of such of the assets of the Demerged Undertaking as are moveable in nature or are otherwise capable of transfer by physical delivery, or by endorsement and delivery, the same shall be so transferred by the Demerged Company, and shall become the property, estate, assets, rights, title, interest and authorities of ABNL as an integral part of the Demerged Undertaking transferred to it.
- 14.4. In respect of such of the assets of the Demerged Undertaking other than those referred to in clause 14.3 above, the same shall, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in ABNL and/or be deemed to be demerged from the Demerged Company and transferred to and vested in ABNL on the Appointed Date pursuant to the provisions of Section 394 of the Act. It is hereby clarified that all rights, title and interest of the Demerged Company in any properties taken on leasehold basis and/or leave and licence basis in relation to the Demerged Undertaking shall, pursuant to section 394 of the Act, without any further act, instrument or deed, be transferred to and vested in or be deemed to have been transferred to and vested in ABNL.
- 14.5. All outstandings and receivables of the Demerged Company and pertaining to the Demerged Undertaking shall on and from the Appointed Date stand transferred to and vested in ABNL without any notice or other intimation to the debtors (although ABNL may, if it so deems appropriate, give notice to the debtors that the debts do stand transferred to and vested in ABNL), and the debtors shall be obliged to make payments to ABNL.
- 14.6. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences including advance licences and EPCG licences, certificates, registrations, clearances, authorities, power of attorneys given by, issued to or executed in



favour of the Demerged Company, and the rights and benefits under the same, in so far as they relate to the Demerged Undertaking and all product and brand registrations, quality certifications and approvals, trade marks, brands, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual properties and all other interests relating to the goods or services being dealt with by the Demerged Undertaking, shall be transferred to and vested in ABNL and the concerned licensors and grantors of such approvals, clearances, permissions, shall endorse, where necessary, and record ABNL on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Demerged Undertaking of the Demerged Company in ABNL and continuation of operations pertaining to the Demerged Undertaking of the Demerged Company in ABNL without any hindrance.

- 14.7. Upon the coming into effect of this Scheme, all permits, registrations, approvals, consents, statutory licences to set up and operate any business, quotas, rights, entitlements, any other licences including those relating to tenancies, trade marks, patents, copyrights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking, 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 having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against ABNL, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, ABNL had been a party or beneficiary or obligee thereto.
- 14.8. In so far as the various incentives, service tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, income tax holiday/benefit/losses, depreciation allowance and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to ABNL on the same terms and conditions.
- 14.9. Upon coming into effect of the Scheme, the debts, liabilities and obligations of the Demerged Company relating to the Demerged Undertaking shall without any further act, instrument or deed be and stand transferred to ABNL and shall thereupon become the debts, liabilities and obligations of ABNL which it undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company and to keep the Demerged Company indemnified at all times from and against all such debts, liabilities, duties and obligations and from and against all actions, demands and proceedings in respect thereto. It



shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

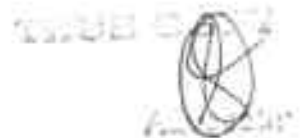
- 14.10. In so far as loans and borrowings of the Demerged Company are concerned, the loans and borrowings and such amounts pertaining to the general or multipurpose loans, and liabilities which are to be transferred to ABNL in terms of clause 1.6 being part of the Demerged Undertaking shall, without any further act or deed, become loans and borrowings of ABNL, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against ABNL as if it had entered into such loans and incurred such borrowings.

Thus, the primary obligation to redeem or repay such liabilities shall be that of ABNL. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, ABNL may discharge such liability (including accretions thereto) by making payments on the respective due dates to the Demerged Company, which in turn shall make payments to the respective creditors.

- 14.11. Subject to clause 14.10 above, from the Effective Date, ABNL alone shall be liable to perform all obligations in respect of the liabilities of the Demerged Undertaking as the borrower/issuer thereof, and the Demerged Company shall not have any obligations in respect of the said liabilities.

- 14.12. Where any of the liabilities and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to ABNL, have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of ABNL, and all loans (including general or multi-purpose borrowings) raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of ABNL and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to ABNL and shall become the liabilities and obligations of ABNL which shall meet, discharge and satisfy the same.

- 14.13. Any claims, liabilities or demands (including in relation to sales tax, excise duty, service tax, custom duty or otherwise) arising on account of the Demerged Undertaking which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by ABNL. In the event that such liability is incurred



by or such claim or demand is made upon the Demerged Company, then ABNL shall indemnify the Demerged Company for any payments made in relation to the same.

- 14.14. In so far as the assets of the Demerged Undertaking are concerned, the security, existing charges and mortgages, if any, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of the Demerged Company shall, without any further act, instrument or deed, be released and discharged from the same and shall no longer be available as security in relation to those liabilities of the Demerged Company which are not transferred to ABNL.
- 14.15. In so far as the assets of the Remaining Business of the Demerged Company are concerned, the security, existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Demerged Undertaking shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or third party in order to effect such release shall not affect the operation of the foregoing sentence.
- 14.16. In so far as the existing security in respect of the loans of the Demerged Company and other liabilities relating to the Remaining Business of the Demerged Company are concerned, such security shall, without any further act, instrument or deed be continued with the Demerged Company on the assets remaining with the Demerged Company.
- 14.17. The Demerged Company and ABNL shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad to give formal effect to the above provisions, if required.
- 14.18. The foregoing provisions insofar as they relate to transfer of liabilities to ABNL shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- 14.19. It is hereby clarified that all the assets and liabilities of the Demerged Undertaking shall be transferred to ABNL, at the values appearing in the books of account of the Demerged Company as on the Appointed Date which are set forth in the closing balance sheet of the Demerged Company as of the close of the business hours on the date immediately preceding the Appointed Date.

15. Legal proceedings



- 15.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company, if any, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Demerged Undertaking shall be continued and enforced by or against ABNL after the Effective Date. In the event that the legal proceedings referred to herein require the Demerged Company and ABNL to be jointly treated as parties thereto, ABNL shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Demerged Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Demerged Undertaking or not, a decision jointly taken by the Board of Directors of the Demerged Company and ABNL in this regard, shall be conclusive evidence of the matter.
- 15.2. If proceedings are taken against the Demerged Company in respect of the matters referred to in clause 15.1 above, it shall defend the same in accordance with the advice of ABNL and at the cost of ABNL, and the latter shall reimburse and indemnify the Demerged Company against all the liabilities and obligations incurred by the Demerged Company in respect thereof.
- 15.3. ABNL undertakes to have all legal and other proceedings initiated by or against the Demerged Company in respect of the matters referred to in clause 15.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against ABNL to the exclusion of the Demerged Company.

16. Contracts, deeds, etc.

- 16.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking 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 having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of ABNL, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, ABNL had been a party or beneficiary or obligee thereto.
- 16.2. Notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of the Scheme itself, ABNL may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, execute



deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above. ABNL shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliance referred to above on the part of the Demerged Company to be carried out or performed.

17. Saving of concluded transactions

The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking under clause 14 hereof and the continuance of the proceedings by or against ABNL under clause 15 hereof shall not affect any transactions or proceedings already completed by the Demerged Company on and after the Appointed Date, to the end and intent that ABNL accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of ABNL.

18. Employees of the Demerged Undertaking

- 18.1 The permanent employees of the Demerged Company as are engaged in the Demerged Undertaking as on the Effective Date ("Transferred Employees"), shall become the employees of ABNL in such position, rank and designation as may be determined by ABNL with the benefit of continuity of service and such that the terms and conditions of their employment with ABNL are not less favourable than those applicable to them as employees of the Demerged Company on the Effective Date.

All expenses, emoluments and liabilities relating to the Transferred Employees shall be borne and paid by ABNL on and from the Effective Date. The service of each such Transferred Employee shall not be affected by such transfer and the terms and conditions of service applicable to each such Transferred Employee after such transfer shall not be less favourable than those applicable to him/her immediately before the transfer. ABNL shall be liable to pay to each such Transferred Employee, in the event of his/her retrenchment, compensation on the basis that his/her service has been continuous and has not been interrupted by the transfer. ABNL agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Transferred Employees with the Demerged Company shall also be taken into account and the methodology for computation of retirement benefits shall remain the



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same as followed by the Demerged Company, and agrees and undertakes to pay the same as and when payable.

- 18.2 (i) Insofar as the existing provident fund trust and superannuation trust participated by the Demerged Company for its employees (including the Transferred Employees) are concerned, the balance outstanding to the credit of the account of each of the Transferred Employee who is eligible for benefits under such trusts and such balance being equal to the aggregate amount of such Transferred Employees are entitled to in relation to the period prior to the Effective Date, shall be transferred to similar funds established by ABNL.
- (ii) Insofar as the existing gratuity trust participated by the Demerged Company for its employees (including the Transferred Employees) are concerned, an amount equivalent to the actuarial liability of the Demerged Company with respect to the Transferred Employees as of the Effective Date, shall be transferred to a similar fund established by ABNL.

18.3 In relation to those Transferred Employees who are not covered under the provident fund trust of the Demerged Company, if any, and for whom the Demerged Company is making contributions to the government provident fund, if any, ABNL shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Transferred Employees.

18.4 In relation to any other fund created, participated or existing for the benefit of the Transferred Employees, upon the Effective Date, ABNL shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of the Transferred Employees.

19. Business and property in trust and conduct of the Demerged Undertaking for ABNL

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

- 19.1. the Demerged Company shall be carrying on and be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for ABNL;



- 19.2. all income or profits accruing or arising to the Demerged Company, or all costs, charges, expenses or losses arising or incurred by it (including the effect of taxes, if any, thereon), relating to the Demerged Undertaking shall, for all purposes, be treated as profits, income, costs, charges, expenses, taxes or losses, as the case may be, of ABNL;
- 19.3. the Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking with diligence and utmost business prudence and agrees that it will not, without prior written consent of ABNL, alienate, charge, mortgage or encumber or otherwise deal with or dispose of the Demerged Undertaking or any part thereof or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees without the concurrence of ABNL or undertake substantial expansion or change the general character or nature of the business of the Demerged Undertaking.

20. Issue and allotment of shares

- 20.1. Since ABNL holds the entire paid-up equity share capital of the Demerged Company alongwith its nominees and 1,00,00,000 8% Redeemable Cumulative Preference Shares of Rs.10/- each, upon the Scheme being effective, no issue and allotment of any equity shares and/or preference shares of ABNL shall be made to ABNL as it cannot issue shares to itself.
- 20.2. Upon the Scheme being effective, ABNL in compliance with the requirements contained in section 2(19AA) of the Income Tax Act, 1961 shall, without any further application, act, instrument or deed, issue and allot to the preference shareholder(s) of the Demerged Company (other than ABNL) whose name appears on the Register of Members of the Demerged Company on a date (the "Record Date") to be fixed in that behalf by the Board of Directors:

1 (One) fully paid up 6% Redeemable Preference share of Rs.100/- each of ABNL as fully paid up for every 1 (One) 6% Redeemable Cumulative Preference share of Rs.100/- each fully paid up and held in Demerged Company (hereinafter referred to as "Preference Shares").

- 20.3. The Preference Shares issued pursuant to clause 20.2 above shall be issued in certificate form by ABNL to the preference shareholder(s) (other than ABNL) of the Demerged Company.
- 20.4. The Preference Shares issued pursuant to clause 20.2 above shall ordinarily be redeemable after a period of five years from the Appointed Date at the face value i.e. no premium shall be payable on



redemption, subject to the provisions of section 80 of the Act. ABNL however reserves a right to redeem the Preference Shares at any time before the due date of redemption as aforesaid but, not earlier than one year from the Appointed Date, after giving 30 days notice.

- 20.5. The Preference Shares issued pursuant to clause 20.2 above shall carry a fixed rate of dividend @6% per annum and the dividend shall be cumulative. The Board of Directors of ABNL may in their absolute discretion, but shall not be bound, to increase the rate of dividend as they may deem fit in the best interest of ABNL.
- 20.6. The Preference Shares issued pursuant to clause 20.2 above shall carry on a winding up or repayment of capital by ABNL, a preferential right to be repaid the amount of the capital paid up and for the payment of any money remaining unpaid in respect of the dividend due on such Preference Shares, in priority over the equity shares of ABNL.
- 20.7. The Preference Shares issued pursuant to clause 20.2 above shall not be entitled to participate in profits or surpluses of ABNL except the dividend at the fixed rate as specified in clause 20.5 above, if any declared by the Board of Directors of ABNL. The Preference Shares shall have no voting rights, subject to the provisions of section 87 of the Act.
- 20.8. The Preference Shares of ABNL issued in terms of clause 20.2 above shall not be listed on any Stock Exchange/s.
- 20.9. The issue and allotment of the Preference Shares by ABNL to the preference shareholders of the Demerged Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by ABNL as if the procedure laid down under Section 81(I-A) of the Act and any other applicable provisions of the Act were duly complied with.



21. Accounting

- 21.1. With effect from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may, in the opinion of the Board of Directors of ABNL be required and except to the extent required by the law, all the assets and liabilities relating to the Demerged Undertaking transferred to ABNL pursuant to this Scheme shall be recorded in the books of ABNL at the book values as recorded in the books of the Demerged Company. The difference, if any, between the face value of the share capital issued by ABNL to the preference shareholders of the Demerged Company pursuant to clause 20.2 of the Scheme and the net assets taken over shall be recorded as/adjusted in capital reserve, as the case may be, in the books of ABNL.

- 21.2. In case of any difference in the accounting policy between the Demerged Company and ABNL, the impact of the same till the Appointed Date will be quantified and adjusted in the capital reserve of ABNL to ensure that the financial statements of ABNL reflect the financial position on the basis of consistent accounting policy.
- 21.3. Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Demerged Company and ABNL relating to or in connection with the Demerged Undertaking, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of ABNL and the Demerged Company. For the removal of doubt, it is clarified that from the Appointed Date there would be no accrual of interest or other charges in respect of any loans, advances, deposits, balances or other obligations relating to or in connection with the Demerged Undertaking between the Demerged Company and ABNL.
- 21.4. In the books of the Demerged Company, upon the Scheme being effective, the book value of the fixed assets, the net current assets and the secured and unsecured loans relating to the Demerged Undertaking transferred to ABNL shall be reduced from respective book value of the fixed assets, the net current assets and the secured and unsecured loans of the Demerged Company. The difference between the assets transferred and the liabilities transferred shall be adjusted against debit balance of profit and loss account as appearing in the balance sheet of the Demerged Company as on the Appointed Date.
- 21.5. As a consequence of demerger, the investments and reserves of ABNL shall be reorganised in the manner and to the extent specified below:
- (i) Upon the Scheme being effective, the investments of ABNL in the share capital of the Demerged Company shall be brought down to the extent provided as under:
 - (a) 5,00,000 equity shares of Rs.10/- each; and
 - (b) 5,00,000-8% Redeemable Cumulative Preference Shares of Rs.10/- each.
 - (ii) The aggregate reduction in book value of investments as per clause 24.1 hereof, shall be adjusted by ABNL against its capital reserve.



22 Treatment of Taxes

- 22.1 Any tax liabilities under the Income Tax Act, 1961, or other applicable laws/regulations dealing with taxes/duties/levies

(hereinafter in this clause referred to as "Tax Laws") allocable or related to the Demerged Undertaking to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to ABNL. Any surplus in the provision for taxation/duties/levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of ABNL.

- 22.2 Any refund under the Tax Laws due to the Demerged Undertaking consequent to the assessments made on the Demerged Company shall also belong to and be received by ABNL.

PART-IV

REMAINING BUSINESS

23 Remaining Business

- 23.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company subject to the provisions of the Scheme.
- 23.2 All legal, taxation or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company. ABNL shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings by or against the Demerged Company.
- 23.3 With effect from the Appointed Date and up to and including the Effective Date:
- the Demerged Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - 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 shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Demerged Company.
 - all employees relatable to the Remaining Business shall continue to be employed by the Demerged Company and ABNL shall not in any event be liable or responsible for any claims whatsoever regarding such employees.



PART V**RE-ORGANISATION OF CAPITAL OF THE DEMERGED COMPANY AS A CONSEQUENCE OF THE DEMERGER**

- 24.1 As a consequence of the demerger pursuant to Part III of the Scheme and upon the coming into effect of the Scheme, the issued, subscribed and paid up share capital of the Demerged Company with effect from the Appointed Date, shall be brought down by Rs.19,09,50,000/- by cancellation of 95,00,000 equity shares of Rs.10/- each, 95,00,000 - 8% Redeemable Cumulative Preference Shares of Rs.10/- each and 9,500 - 6% Redeemable Cumulative Preference Shares of Rs.100/- each. Thus, the issued, subscribed and paid up capital of the Demerged Company shall be brought down from Rs.20,10,00,000/- comprising of 1,00,00,000 equity shares of Rs.10/- each, 1,00,00,000- 8% Redeemable Cumulative Preference Shares of Rs.10/- each and 10,000 - 6% Redeemable Cumulative Preference Shares of Rs.100/- each to Rs. 1,00,50,000/- comprising of 5,00,000 equity shares of Rs.10/- each, 5,00,000-8% Redeemable Cumulative Preference Shares of Rs.10/- each and 500 - 6% Redeemable Cumulative Preference Shares of Rs.100/- each.
- 24.2 The share certificates of the Demerged Company in relation to the shares held by its equity shareholders and preference shareholders shall, without any further act, instrument or deed be deemed to have been cancelled. Upon the Scheme being effective, the Demerged Company shall issue fresh share certificates in respect of the equity shares and preference shares as per the foregoing provisions of the Scheme.
- 24.3 Since the aforesaid reductions are an integral part of the Scheme, it is hereby provided that the same shall become operative by virtue of the fact that the shareholders of the Demerged Company, while approving the Scheme, have also resolved and accorded their consent as required under section 100 or any other provisions of the Act and shall not be required to pass separate resolution in this respect. Further as the said reductions do not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital the provisions of section 101 of the Act shall not be applicable. The order of the High Court sanctioning the Scheme shall also be deemed to be an order under section 102 of the Act confirming the reductions.



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 Date

- 24.4 Notwithstanding the reductions as mentioned above, the Demerged Company shall not be required to add "and reduced" as a suffix to its name and the Demerged Company shall continue in its existing name.
- 24.5 The aggregate of the reduction of the paid up capital as per clause 24.1 above and the closing balance of the reserves as on 31st December 2009, if any, of the Demerged Company shall be adjusted against the debit balance in the profit and loss account of the Demerged Company.

PART-VI

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

25. Applications to High Court

ABNL, Madura Exports, MG Lifestyle and Peter England Fashions shall, with all reasonable dispatch, make applications/ petitions, under sections 391 to 394 and other applicable provisions of the Act to the High Court for seeking sanction of this Scheme.

26. Modifications or amendments to the Scheme

- 26.1 ABNL, Madura Exports, MG Lifestyle and Peter England Fashions by their respective Board of Directors or any Director/Executive/ Employee authorised in that behalf (hereinafter referred to as the "Delegates") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the High Court or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of ABNL, Madura Exports, MG Lifestyle and Peter England Fashions may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of ABNL, Madura Exports, MG Lifestyle and Peter England Fashions or as the case may be, their respective Delegates may deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. ABNL, Madura Exports, MG Lifestyle and Peter England Fashions by their respective Board of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the High Court or any



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authorities, which the Board of Directors of ABNL or Madura Exports or MG Lifestyle or Peter England Fashions find unacceptable for any reason, then ABNL, Madura Exports, MG Lifestyle and Peter England Fashions shall be at liberty to withdraw the Scheme.

- 26.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates of ABNL, Madura Exports, MG Lifestyle and Peter England Fashions may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, 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. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of ABNL or Madura Exports or MG Lifestyle or Peter England Fashions to be obtained for any matter, the same may be given through their Delegates.

27. Scheme conditional on approvals/sanctions

This Scheme is conditional upon and subject to:

- 27.1 The approval by the respective requisite majorities of the shareholders and/or creditors (where applicable) of ABNL, Madura Exports, MG Lifestyle and Peter England Fashions as required under the Act and the requisite orders of the High Court referred to in clause 25 hereof being obtained; and
- 27.2 The certified copies of the orders of High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat, at Ahmedabad.

28. Effect of non-receipt of approval/sanction

In the event of this Scheme failing to take effect finally by 30th June 2010 or by such later date as may be agreed by the respective Boards of Directors of ABNL, Madura Exports, MG Lifestyle and Peter England Fashions, this Scheme shall stand revoked, cancelled and become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such event, each party shall bear its own costs, charges and expenses in connection with the Scheme.



29. Severability

If any part of this Scheme is found to be unworkable or unviable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of ABNL, Madura Exports, MG Lifestyle and Peter England Fashions affect the validity or implementation of the other parts and/or provisions of this Scheme.

30. Expenses connected with the Scheme

All costs, charges and expenses in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid by ABNL and will be debited to reserve or profit and loss as per applicable accounting standard if any.



TRUE COPY

Admission

WITNESS S. J. MUKHOPADHYAYA, ESQUIRE, THE CHIEF JUSTICE at Ahmedabad
aforesaid this 28th day of January, Two Thousand and Ten.



BY ORDER OF THE COURT

Sd/-

A. K. Upadhyaya

PRINCIPAL REGISTRAR (JUDICIAL)

This 18 day of February 2010



SEALER

Sd/-

A. S. Thomas

DEPUTY REGISTRAR

This 19 day of February 2010

[Signature]

ORDER SANCTIONING THE COMPOSITE
SCHEME OF ARRANGEMENT DRAWN ON
THE APPLICATION OF M/S. SINGHI & CO.,
ADVOCATES FOR THE PETITIONER
HAVING THEIR OFFICE AT 7-8TH FLOOR,
PREMCHAND HOUSE ANNEXE, ASHRAM
ROAD, AHMEDABAD- 380 009

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[Signature]
19/2/10

HIGH COURT, BOMBAY

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CSP849-12 cont'd

Sequeira

IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO.849 OF 2012 WITH COMPANY SUMMONS FOR DIRECTION NO.783 OF 2012

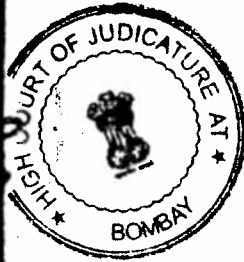
Pantaloan Retail (India) Limited

.. Petitioner

AND COMPANY SCHEME PETITION NO.850 OF 2012 WITH COMPANY SUMMONS FOR DIRECTION NO.784 OF 2012

Peter England Fashions and Retail Limited

.. Petitioner



Mr. Janak Dwarkadas, Sr. advocate a/w Mr. Ankit Lohia a/w Mr. Hemant Sethi i/b Hemant Sethi & Co., for petitioner in CSP No.849 of 2012.
Mr. Tapan Deshpande i/b Amarchand and Mangaldas & S.A. Shroff & Co., for petitioner in CSP No.850 of 2012.
Smt S.V. Bharucha a/w Ms Purnima Awasthi, for Regional Director.
Mr. Laxmipat Surana, proprietor of Mahaveer Constructions present.

CORAM : N.M. JAMDAR, J.
Friday 1 March 2013

P.C.:

Heard learned counsel for the parties. An objection has been received from Mahaveer Constructions. Mr. Laxmipat Surana the proprietor of Mahaveer Constructions has appeared in person.

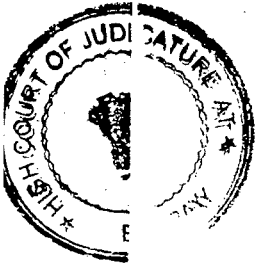
2. By this petition sanction of the Court is sought for Scheme of Arrangement which is annexed to the petition. The Scheme of

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Arrangement is between Pantaloon Retail India Limited- the Demerged Company and Peter England Fashions and Retail Limited- the Resulting Company and their respective shareholders, creditors and Indigold Trade and Services Limited as shareholder of the Resulting Company. The scheme provides for transfer by way of demerger of the Demerged Undertaking to the Resulting Company, upon effectiveness of the scheme.

3. The Demerged Company is diversified retail player and also has interests in financial services, insurance, media and other businesses and includes business of retailing fashions in apparels. The Resulting Company is engaged in apparels business and its main business includes export of readymade garments.



4. The proposed transfer by way of demerger of Demerged undertaking of the Demerged Company into Resulting Company shall interalia enable business activities comprised in the Demerged Undertaking to be carried out with separate and independent management set up and greater focus, attention and specialisation for sustained growth. One of the other purpose of the demerger is that Demerged Undertaking will also benefit from the synergies of combining with similar business of Resulting Company and its shareholders resulting in enhancement of shareholder value. Further in consideration of the demerger, the shareholders of Demerged Company will be allotted shares on proportionate basis in the Resulting Company. This would provide the existing shareholders of the demerged Company with the option of continuing in both the Demerged Company as well as the Resulting Company.

5. Indigold Trade and Services Limited and / or its Affiliates may

HIGH COURT, BOMBAY

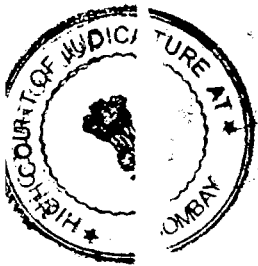
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CSP849-12 correctd

make an open offer for shares of Resulting Company, post demerger. The Board of Directors of the Demerged Company and the Resulting Company have approved the Scheme by passing respective board Resolutions which have been annexed to the petition.

6. The learned counsel for the petitioner submits that the petitioners have complied with the directions passed in respect of Company Summons for Direction and the Company Scheme Petition which have been filed in consonance with the orders passed in respect of Company Scheme Petitions. Accordingly, the petitioner seeks sanction of this Court for the proposed Scheme of Arrangement between the Demerged Company and the Resulting Company and their respective shareholders, creditors and Indigold Trade and Services Limited as shareholders of the Resulting Company.



7. The Regional Director has filed an affidavit on 8 February 2013 wherein the Regional Director has stated that Scheme does not appear to be prejudicial to the interest of shareholders and the public. The Regional Director has made certain comments and raised certain objections in their affidavit which are as under -

(a) Clause 12.2 read with clause 14 of the scheme, the authorized share capital of the Resulting Company shall stand increased to Rs. 110,15,00,000/-. In this connection the Transferee Company may be directed to comply with provisions of Section 94/97 read with Schedule X of the Companies Act, 1956, in respect of filing of necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty as applicable on the said forms.

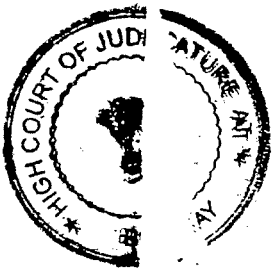
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(b) Clause 13 of the Scheme deals with amendment in Main Objects Clause of the Memorandum of Association of the Resulting Company. In this connection, the Transferee Company may be directed to comply with provisions of section 40 read with section 18 of the Act and to file amended copy of Memorandum of Association alongwith Form No.21 with the Registrar of Companies.

(c) Clause 15 of the scheme state that on or after the effective date, but prior to the listing of PEFRL shares, indigold and/or its Affiliates may make an Open Offer to the public shareholders of PEFRL to acquire from such public shareholders up to 26% of the issued post Demerger and paid up equity share capital of PEFRL based on the price per share of Rs.175 which is subject to obtaining necessary approval from Regulatory Authorities.

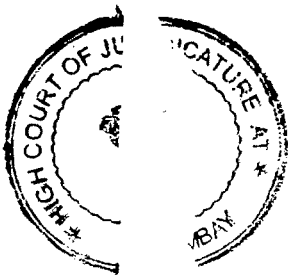
(d) The deponent further respectfully submits that, a complaint dated 14/01/2013 has been received form Proprietor of M/s. Mahaveer Construction claiming that he is shareholder as well as creditor of M/s. Pantaloon Retail India Limited. In the said complaint inter alia he is disputing the service of creditors notice to him. He further informed that a legal proceedings were initiated against the company before the Hon'ble High Court of Calcutta for recovery of their dues. In response to the letter dated 14/01/2013 the Demerged Company forwarded its reply dated 21/01/2013 to the complainant. The Demerged Company claims that the complainant is not the creditor of the company. However, another company viz. Agre Properties & Services Limited has given undertaking before the Hon'ble High Court of Calcutta in the said legal proceedings initiated by complainant. Further a Bank Guarantee dated 22/02/2013 has been provided by M/s. ASPL for a sum of Rs.6.5 crores as directed by the Hon'ble High Court of Calcutta which is annexed hereto and marked as Exhibit-D. In this regard from the letter dated 14/01/2013 of the complainant addressed to Regional Director it is understood that the complainant has



submitted his complaint to the Company Registrar of this Hon'ble High Court. As the issue in the case is as to whether the complainant is creditor of the Demerged Company or not is a fact which can be clarified by the Demerged Company and the complainants.

In view of the above the complainants may also be heard by this Hon'ble High Court in the scheme proceedings. Copies of the correspondence exchanged between complainant and Demerged Company are enclosed hereto and marked as Exhibit 'E' collectively.

Save and except as stated in para 6(a), (b), (c) & (d), it appears that the Scheme is not prejudicial to the interest of shareholders and public."



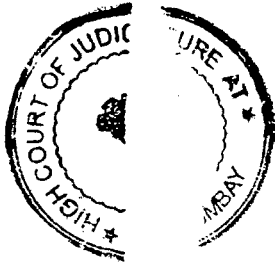
8. As far as the observations in paragraph 6(a) of the affidavit of Regional Director is concerned, the Resulting Company has undertaken to comply with provisions of section 94 / 97 r.w. Schedule X of the Companies Act 1956 in respect of filing necessary forms with the Registrar of Companies after paying necessary filing fees and stamp duty as applicable on said forms. The said undertaking is accepted.

9. As far as observations made in paragraph 6(b) of the affidavit of Regional Director is concerned, the Resulting Company has undertaken to comply with the provisions of section 40 r.w. Section 18 of the Companies Act 1956 and file amended copy of Memorandum of Association along with form 21 with Registrar of Companies. The said undertaking is accepted.

10. As far as observations in paragraph 6(c) of the affidavit of Regional Director, the Resulting Company has undertaken that necessary

approval from relevant Regulatory Authorities in respect of open offer to be made to the public shareholders of PEFRL by Indigold Trade and Services Ltd. and / or its affiliates will be obtained. The said undertaking is accepted.

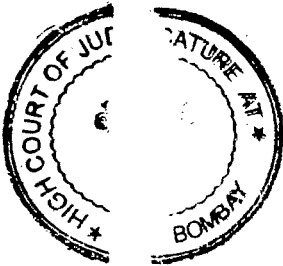
11. As far as observations of the Regional Director in paragraph 6(d) is concerned, it relates to the objection of Mahaveer Constructions. Mr.Surana (the Objector) has addressed the Court on two occasions in respect of his objections. He has filed his objections on 23 January 2013 as well as an additional affidavit dated 28 February 2013.



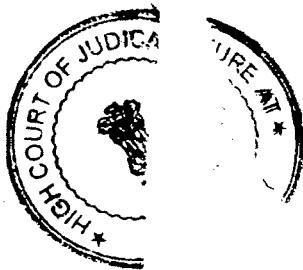
12. The matter was first heard on when the Objector addressed the Court for some time in respect of his objection. After arguing the matter for some time he sought time to file additional affidavit and a compilation. In spite of opposition of the learned counsel for the petitioner, by way of indulgence two weeks time was granted. It was made clear that no further time will be granted.

13. The Objector raised objection for the grant of sanction to the Scheme on the ground that he has certain dues against Pantaloon Retail (India) Limited, (PRIL) the petitioner / Demerged Company. The Objector sought to advance arguments in detail in respect of his claim. He submitted that he is landlord of a Mall where the petitioner-PRIL was in occupation of part of the premises. According to him there are dues to the tune of almost Rs.220 crores which are payable by petitioner-PRIL. He submitted that he has instituted arbitration proceedings against the petitioner-PRIL. He submitted that in proceedings filed under section 9 of the Arbitration Act, Calcutta High Court has found that his claim was prima facie justified and

has directed the petitioner-PRIL to submit a bank guarantee of Rs.6.5 crores. The Objector submitted that the order directing the petitioner-PRIL to deposit the bank guarantee was challenged by the petitioner in the Apex Court and the challenge has failed. He submitted that petitioner-PRIL has taken a stand that Mahaveer Constructions is not their creditor and if the scheme as in present form is allowed then it will seriously prejudice his rights as a creditor. He also sought to urge that the Scheme is a fraudulent exercise on the part of the petitioner-PRIL and by way of illustration he tried to show that in the balance sheet Rs.58 crores have been shown as provision for expenses. He submitted that inspite of Mahaveer Constructions being one of the main creditors, the petitioner has not shown name of Mahaveer Constructions in the list of creditors. He submitted that even as a shareholder of the Company he has certain objections. He further submitted that the orders dated 24 August 2010 and 25 March 2011 passed by this Court in respect of demerger of the petitioner-PRIL are also obtained by fraud by suppressing material facts and he has moved Company applications for recalling those orders.



14. The petitioner has filed a reply dealing with the objection raised. The learned senior counsel for the petitioner submitted that there is a serious dispute regarding the liability of the petitioner Company towards the dues of Mahaveer Constructions. The learned counsel submitted that initially in the Arbitration proceedings Mahaveer Constructions had sought recovery of Rs.22 crores and later on the claim has been inflated to Rs.220 crores. Learned counsel for the petitioner-PRIL submitted that the said Mahaveer Constructions is not the creditor of petitioner PRIL and in any case since the petitioner-PRIL has already been made a party in the Arbitration proceedings all the disputes raised by the Objector can be raised



in the pending arbitration proceedings, as well as the proceedings that the Objector intends to take up. The learned counsel further submitted that if the claims of the Objector are kept open to be argued on merits then he cannot in any manner be aggrieved by the sanctioning of the Scheme. Learned counsel submitted that there are absolutely no details to allege fraud except repeatedly using the phrase 'fraud' in the oral arguments and the rules of pleadings require that specific particulars must be stated if ground of fraud is to be agitated. Learned counsel submitted that the requisite majority of the shareholders, the creditors as well as the Regional Director have found the Scheme to be proper and the objections by the Objector are raised only with a view of cornering the Company on the eve of end of financial year to make the payment of a debt which is disputed. The learned counsel has relied on receipt of this Court laying down the scope of objections by the creditors to sanctioning of Company Scheme Petitions.

15. Before the objections of the Objector are adverted to it is necessary to notice the scope of inquiry by the Court while sanctioning the Schemes.

16. As laid down by the Apex Court in the case of **Miheer H. Mafatlal V. Mafatlal Industries Ltd.** reported in **(1997) 1 Supreme Court Cases 579**, when a Scheme for Arrangement, merger, amalgamation is presented before the Court for sanction, the jurisdiction of the Court while sanctioning the scheme is supervisory and not appellate. Once it is established that all requisite statutory compliances have been made, and the scheme is not against public interest, and that requisite number of shareholders accepted the scheme, and that the decision of the majority was

HIGH COURT, BOMBAY

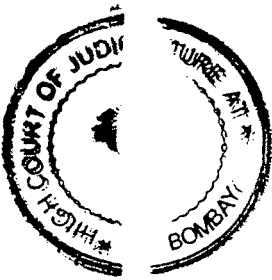
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fair and proper, then the Court cannot refuse to sanction the scheme. The parties to the scheme in their wisdom and commercial interest arrive at these decisions and the Courts do not have expertise nor jurisdiction to dissect the scheme, and reject it. If such a jurisdiction is exercised it would be an appellate jurisdiction which is not vested in the Court while considering sanction of the scheme.

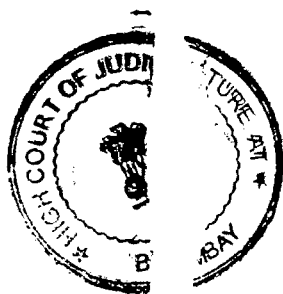
17. The creditors of the Company cannot use the proceedings for sanction of scheme, as a weapon to pressurise the Company to pay disputed debts. The learned counsel for the petitioner has relied upon the decision of learned Single Judge of this Court in Company Scheme Petition No.377 of 2011 wherein the learned Judge observed as under -



“9. To my mind, the objector or intervener cannot, on the basis of the claim which has been made against the transferee company, succeed and oppose the scheme when such a claim is pending adjudication. Once it has been pointed out that the sum is a disputed liability and it is being adjudicated, then, to my mind, it will not be possible to withhold sanction and approval to the scheme only on account of such a claim. In the affidavits that have been filed by the parties, they have placed their own version in support of their claims and counter claims. This Court is not a forum which could adjudicate and decide the same. Admittedly, the parties are before the Arbitral Tribunal which has taken cognizance of these versions and they are being adjudicated. Nothing prevents the intervener/objector, on the basis of the contents of the balance-sheet in making an application for securing the alleged admitted sum. Once such a course is available under the Arbitration and Conciliation Act, 1996 and even thereafter when the intervener/objector secures and obtains an award crystalising the claims, then, all the more there is no reason to withhold the approval and sanction to the scheme. Nothing has been pointed out in the statutory provisions relied upon, which would indicate that this Court, can on the

strength of a disputed claim, withhold the sanction and approval to the scheme”.

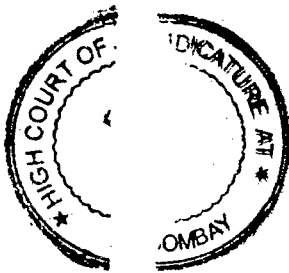
18. Similar view is reiterated in **Scheme of Amalgamation of Zee Interactive Multimedia Limited – 2002(4) Bom.C.R. 137; Scheme of Amalgamation of Sanvijay Aloys Pvt. Ltd. -2004(6) Bom.C.R. 481 and Scheme of Amalgamation between Mayfair Ltd. And Zodiac Clothing Co. Ltd.-2004(2) Bom.C.R. 235.**



19. In this backdrop the above legal position the scope of the objections raised by the Objector need to be considered. The petitioner has filed a reply to the objection in which the claim of the Objector is seriously disputed. It is also disputed that the Objector is a creditor of the petitioner-PRIL. The petitioner has also challenged quantification of the claim of Rs.225 crores, which according to petitioner is grossly inflated and disproportionate and cannot be possibly so high for a lease rent, even assuming the Objector can claim an amount towards the lease rent. Be that as it may, the claim made by the Objector is pending adjudication in the Arbitration proceedings. In the Arbitration proceedings the petitioner-PRIL is a party. It is open for the objector to proceed against the petitioner-PRIL in the said Arbitration proceedings to establish his claim. The objector states that this Court should direct the petitioner-PRIL to pay the amount claimed by him or rule on merits of his claim and record prima facie findings in favour of his claim.

20. Once the Objector has resorted to getting his dispute regarding the debts resolved before an arbitral forum, it is not necessary for this Court to give a finding regarding claim of the objector. If all contentions of the

objector are kept open, that is enough safeguard for the objector and his objection cannot therefore, be an impediment in the way of sanctioning of this Scheme. Accordingly the merits of the claim of the Objector are kept open and it will be open to the Objector to proceed against the petitioner-PRIL. Contentions of both parties are kept open. The dispute between the parties as to whether the objector is in fact creditor of the petitioner-PRIL, is also kept open and it will be open for the objector and the petitioner to agitate that issue in the arbitral proceedings.



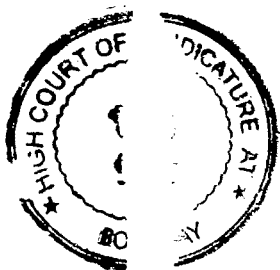
21. As far as the ground of fraud alleged by the objector is concerned, the learned counsel for the petitioner is right in contending that fraud has to be specifically pleaded and proved. There are no particulars in the objections which are lodged nor there are any particulars in the affidavit in rejoinder. The objector was given two weeks time to file additional affidavit but he has not placed any particulars regarding fraud. In any case requisite majority of shareholders, the other creditors and the Regional Director have found the Scheme to be proper. The submission of the objector in capacity of shareholder is concerned no such objection is raised either in the statement of objection filed as well as in the affidavit in rejoinder. No other shareholder has come forth to object. It appears that the entire attempt of the objector is to raise some objection or the other to pressurise the Company to pay the debt which is under adjudication in Arbitration proceedings.

22. As far as the challenge to the orders of demerger dated 24 August 2010 and 25 March 2011 is concerned, the objector states that Company applications for recalling these orders are being filed today. There is absolutely no explanation as to why applications are moved after three

years. Apart from this position, the learned counsel for the petitioner-PRIL is right in contending that at the most if the objector succeeds in the challenge the petitioner-PRIL will again become sub-licensee of the objector and that will not make any difference to the claim of the objector as the petitioner Company is already made a party in the Arbitration proceedings.

23. The objector submitted that pursuant to the order by the Calcutta High Court, the petitioner-PRIL was to submit a bank guarantee to the tune of 6.5 crores and inspite of making a statement to this Court on the last date, they have not deposited the said bank guarantee. He has produced photocopy of a letter of Registrar of Insolvency High Court of Calcutta dated 27 February 2013 to that effect. The learned counsel for the petitioner-PRIL states that the said bank guarantee has been already lodged by the Agre Properties and Services Limited. Learned counsel for the petitioner-PRIL submits that in the affidavit dated 11 February 2013 filed by Mr.Virendra Samani, the authorised signatory, the petitioner-PRIL has stated on oath that said bank guarantee has already been furnished. The learned counsel for the petitioner reiterates the position that said bank guarantee has been furnished. Since the statement has been made on oath and also in the Court by the learned counsel, there is no reason not to accept the said statement. The statement is accepted. If the statement is found to be incorrect, necessary consequences will always ensue.

24. In view of the above, the objections raised by the Objector cannot, in law as well as on facts, be an impediment in sanctioning of the present Scheme. Considering the petition and perusal of scheme as well as the affidavit filed by the Regional Director the Scheme does not appear to



be against public interest neither it appears to be contrary to any public policy.

25. Since all requisite statutory compliances have been fulfilled the Company Scheme Petition No.849 of 2012 filed by the Demerged Company is made absolute in terms of prayer clause (a) to (c) and Company Scheme Petition No.850 of 2012 filed by Resulting Company is made absolute in terms of prayer clause (a) and (b).

26. The Resulting Company shall file a copy of this order duly authenticated by Company Registrar, High Court, (O.S.) Bombay with concerned Superintendent of Stamps, for the purpose of adjudication if any, on the same within 60 days from the date of the order along with the Scheme of Arrangement.



27. Petitioners are directed to file copy of this order along with copy of Scheme of Arrangement with the concerned Registrar of Companies electronically along with e-form 21 in addition to physical copy, as per the provisions of the Companies Act.

28. The Petitioners in the Company Scheme Petitions will pay costs of Rs.10,000/- each to Regional Director Western Region Mumbai. Costs to be paid within four weeks from today.

29. Filing and issuance of the drawn up order is dispensed with.

30. All concerned authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O.S.),

HIGH COURT, BOMBAY

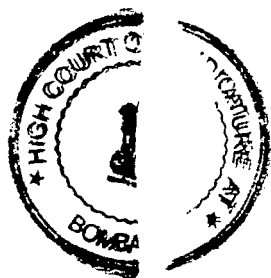
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CSP849-12 correctd

Bombay.

31. At this stage, the objector seeks stay of this order sanctioning the Scheme, for period of three weeks. The learned counsel for the petitioner-PRIL opposes the prayer and submits that the Scheme has been sanctioned by requisite majority as well as all the statutory authorities and since the objection of the objector is kept open to be agitated in the concerned forum, there is no reason why this sanction of Scheme be detained any further. He submits that in view of the end of financial year which is only four weeks away, grant of any stay at this stage will seriously prejudice the petitioner-PRIL.



32. Since I have kept all the contentions of the objector open and the objector is already pursuing his Arbitration proceedings and that the Scheme is found by me to be proper, and also considering the fact that end of financial year is only four weeks away and that stay of three weeks at this stage will cause serious prejudice to the petitioner-PRIL the request of the objector to stay this order for a period of three weeks cannot be entertained.

Request is accordingly refused.

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[Signature]
25/03/2013
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

N.M.JAMDAR, J.

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[Signature]
15/3/2013
Session Officer
High Court, Appellate Side
Bombay

SCHEME OF ARRANGEMENT

BETWEEN

Pantaloon Retail (India) Limited ... Demerged Company
Peter England Fashions and Retail Limited ... Resulting Company

and

their respective shareholders and creditors

and

Indigold Trade and Services Limited, ... Indigold
as shareholder of the Resulting Company

PREAMBLE

I. Description of the Parties

(A) Pantaloon Retail (India) Limited (the "Demerged Company"), is a company incorporated under the Companies Act, 1956 having its registered office at "Knowledge House", Shyam Nagar, off. Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai 400060. The Demerged Company is a public listed company which, through itself and its subsidiaries, is a diversified retail player and also has Interests in financial services, insurance, media and other businesses. The Demerged Company's business of the retailing of fashion and apparel includes the Business (as hereinafter defined).

(B) Peter England Fashions and Retail Limited ("PEFRL" or the "Resulting Company") is a company incorporated under the Companies Act, 1956 having its registered office at Aditya Birla Centre, A-Wing, 4th Floor, S.K.Ahira Marg, Worli, Mumbai - 400030. PEFRL is engaged in the apparel business and its main business includes the export of ready-made garments. PEFRL is a wholly owned subsidiary of Indigold Trade and Services Limited.

Indigold Trade and Services Limited ("Indigold") is a company incorporated under the Companies Act, 1956 having its registered office at Regent Gateway, Plot No 5B, Doddanekundi Village, KIADB Industrial Area, ITPL Road, Bangalore 560048, Karnataka. Indigold is the parent company of PEFRL and is a wholly owned subsidiary of ABNL (as defined hereinafter).

II. Description and Rationale for the Transaction

(D) This Scheme of Arrangement ("Scheme") pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and as per the provisions of Section 2(19AA), Section 47 and other applicable provisions of the Income Tax Act, 1961, *inter alia* provides for:

- (i) the transfer by way of demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company (more particularly described in Part B of this Scheme);
- (ii) upon effectiveness of the Scheme, the Open Offer (more particularly described in Part C of this Scheme); and
- (iii) various other matters consequential or integrally connected therewith, including the reorganisation of the share capital of the Resulting Company.

- (E) The Business has significant potential for growth. The nature of risk and competition involved in the Business is distinct from other businesses undertaken by the Demerged Company and each of its businesses and undertakings is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses and undertakings are required to be managed. Therefore, transfer of the Demerged Undertaking to a separate company will enable greater focus on the operation of the Business and would enable unlocking value. The Business has immense potential for growth and development and requires infusion of funds and undivided care and attention for optimum growth, expansion and development.
- (F) The Resulting Company is a wholly owned indirect subsidiary of ABNL, and ABNL is engaged *inter alia* in the fashion & lifestyle business and is one of the premium apparel brand players in India. ABNL manufactures and sells apparel under various brands through exclusive brand outlets as also stores. The demerger of the Demerged Undertaking to the Resulting Company will expand the variety of its offering in the market and complement its existing portfolio.
- (G) The proposed transfer by way of demerger of the Demerged Undertaking into the Resulting Company shall enable the business activities comprised in the Demerged Undertaking to be carried out with separate and independent management set-up and greater focus, attention and specialisation for sustained growth. The Demerged Undertaking will also benefit from the synergies of combining with the similar and related business of the Resulting Company and its shareholders, thereby resulting in enhancement of shareholder value.
- (H) In consideration of the demerger, the shareholders of the Demerged Company shall be allotted Shares on a proportionate basis in the Resulting Company. This would provide the existing shareholders of the Demerged Company with the option of continuing in both, the Demerged Company as well as the Resulting Company. Further, Indigold and/or its Affiliates will make an Open Offer for shares of the post Demerger Resulting Company.

III. Parts of the Scheme

The Scheme is divided into the following parts:

Part A, which deals with definitions, interpretation and share capital;

Part B, which deals with the Demerger;

Part C, which deals with the Open Offer; and

Part D, which deals with general terms and conditions applicable to the Scheme and other matters consequential and integrally connected thereto.

PART A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meanings:

- 1.1 "ABNL" means Aditya Birla Nuvo Limited a listed public company incorporated under the Companies Act 1956 and having its registered office at Indian Rayon Compound, Veraval, Gujarat, 362266;
- 1.2 "Act" means the Companies Act, 1956 and includes any statutory re-enactment or modification thereof from time to time;



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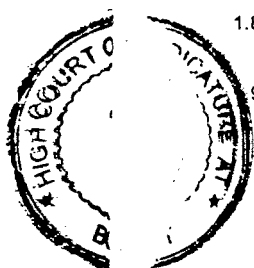
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- 1.3 "Affiliate" means, in relation to any Person, any other Person that directly or indirectly through 1 (One) or more Person(s), Controls, is Controlled by, or is under common Control with, the Person specified; and in the case of a natural person, shall also include any Relative of such natural person;
- 1.4 "Appointed Date" means the opening of business on July 1, 2012;
- 1.5 "Board of Directors" in relation to the Demerged Company, and the Resulting Company, as the case may be, means the board of directors of such company and, unless it be repugnant to the context, includes a duly authorised committee of directors;
- 1.6 "Bombay High Court" means the High Court of Judicature at Bombay and shall include, if applicable, the National Company Law Tribunal as applicable or such other forum or authority as may be vested with the powers of a High Court under Sections 391 to 394 of the Act;
- 1.7 "Business" means the fashion retail business of the Demerged Company undertaken under the brand name "Pantaloons" and variations thereof (including, "Pantaloons Fresh Fashion") from dedicated retail stores (which inter alia, as of June 30, 2012 constituted 90 operating stores which includes factory outlets and 18 stores which are under process), both in value and lifestyle segments, retailing a range of clothing and apparels in mens, ladies, and kids wear in both western wear and ethnic wear categories, lifestyle products, home products and accessories to each category under brands, labels and trademarks belonging to the Demerged Company or licensed from members of the Future Group as well as third party brands, labels and trademarks including, inter alia, owned brands of the Demerged Company and licenses of third party brands of products being sold, contracts with suppliers and vendors, delivery and warehousing arrangements, information technology, and such other activities and undertakings required for undertaking the foregoing on a pan-India basis;
- 1.8 "Charter Documents" means collectively, the Articles of Association and Memorandum of Association;
- 1.9 "Control" (including the terms "Controlled by" and "under common Control with") means: (a) in relation to a body corporate: (i) the beneficial ownership, directly or indirectly, of more than 50% of the voting securities of that body corporate; or (ii) ability to appoint a majority of the board of directors of that body corporate; or (iii) the power to direct the management and policies of a Person, including through contractual arrangements or otherwise; and (b) in relation to any Person which is not a body corporate, the right or power to direct, whether directly or indirectly, the policy decisions of that Person;
- 1.10 "Demerger" means the transfer by way of demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, as set out in Part B hereof, as per section 2(19AA) and other relevant provisions of the Income Tax Act, 1961;
- 1.11 "Demerged Undertaking" means the undertakings, business, activities and operations of PRIL, pertaining to the Business on a going concern basis which shall, consist of the following:
 - 1.11.1 all assets, whether movable or immovable, tangible or intangible, including all current assets, buildings, warehouses, stores, factory outlets, stores under progress, capital work in progress, furniture, fixtures, office equipment, furnishings, appliances, accessories, goods, equipments, and other tangible property of every kind, nature and description, and all other assets pertaining to or used in the Business; all of the aforementioned items as recorded in the fixed assets register of the Transferred Undertaking and provided by the Demerged Company to the Resulting Company;
 - 1.11.2 all goodwill of the Demerged Company associated with the Business;

- 1.11.3 investments, cash and bank balances, financial assets, insurances, provisions, funds, equipments, book debts and debtors and any related capitalized items and other tangible property of every kind, nature and description, and all other assets pertaining to the Business;
- 1.11.4 all inventories, stock-in-trade or stock – in-transit and merchandise including raw materials, supplies, finished goods, wrapping supply and packaging items of the Business, in transit or located at stores (including factory outlets) and warehouses;
- 1.11.5 all permits, quotas, rights, entitlements, licenses, municipal permissions, approvals, consents, privileges all other rights including tax deferrals and other benefits, lease rights, licenses, powers and facilities of every kind pertaining to the Business; 1.14
- 1.11.6 all earnest moneys and/or security deposits and/or advances paid by the Demerged Company in connection with or relating to the Business and benefit of any deposits;
- 1.11.7 all employees of the Demerged Company, who as of the Effective Date are engaged in the Business;
- 1.11.8 all intellectual property rights (whether owned, licensed or otherwise) used in relation to the Business including the Pantaloon brand and trademark, and all other registered trademark, brands, copyrights, know-how, trade secrets connected with the Business; 1.14
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- 1.11.9 all lease agreements, leave and license agreements, and all contracts and arrangements in any form, including those pertaining to brand license, vendors, stores maintenance, housekeeping, security, in connection with the Business, benefits of all agreements, contracts and arrangements and all other interests;
- 1.11.10 all necessary records, files, papers, engineering and process information, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Business; 1.1
- 1.11.11 the liabilities, borrowings, debts and loans as agreed between the Demerged Company and the Resulting Company ("Demerged Liabilities") which will cover (1) liabilities which arise out of the activities or operations of the Business; (2) the specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Business; (3) Liabilities other than those referred above and not directly relatable to the Remaining Undertaking of the Demerged Company, being the amounts of general or multipurpose borrowings of the Demerged Company allocated to the Business in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme. The Opening Financial Statement reflects all the loans, borrowings, liabilities and debts to be transferred pursuant to this clause. 1.
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- 1.12 "Demerged Company" or "PRIL" shall mean Pantaloon Retail (India) Limited a public listed company incorporated under the provisions of the Companies Act, 1956 and having its registered office at "Knowledge House", Shyam Nagar, off. Jogeshwari Vikhroli Link Road, Jogeshwari(East), Mumbai 400060; 1
- 1.13 "Effective Date" shall have the meaning specified in Clause 22.2 of this Scheme. References in this Scheme to the date of "coming into effect of the Scheme" or



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"effectiveness of this Scheme" shall mean the Effective Date;

- 1.14 "Encumbrance" or to "Encumber" means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest 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 an economic or financial effect similar to the granting of security under applicable law; (ii) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (iv) any adverse claim as to title, possession or use;
- 1.15 "Equity Shareholders" shall mean the shareholders of the Demerged Company holding PRIL Equity and / or PRIL DVRs;
- 1.16 "Governmental Authority" means any national or state government or any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of India, or any political subdivision thereof or any other applicable jurisdiction; any court, tribunal or arbitrator and any securities exchange or body or authority regulating such securities exchange;
- 1.17 "Indigold" means Indigold Trade and Services Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Regent Gateway, Plot No 5B, Doddanekundi Village, KIADB Industrial Area, ITPL Road, Bangalore 560048, Karnataka;
- 1.18 "Offer Price" shall have the meaning ascribed to it in Clause 15.2.1;
- 1.19 "Open Offer" shall mean the voluntary open offer to be made by Indigold and/or its Affiliates in terms of this Scheme to purchase upto 26% of the post Demerger total issued and paid up share capital of the Resulting Company from the public at the Offer Price;
- 1.20 "Opening Financial Statement" means the statement of assets and liabilities as at the opening of business hours on the Appointed Date to be transferred to the Resulting Company and which has been subjected to a limited review by the auditor of the Demerged Company, and annexed as Schedule I hereto;
- 1.21 "PRIL DVRs" shall mean equity shares of the Demerged Company classified as Class B shares (Series 1) of a par value of Rs 2/- each with every four PRIL DVRs having voting rights equal to three PRIL Equity Shares, and every PRIL DVR having the right to receive 2% additional dividend than every PRIL Equity Share;
- 1.22 "PRIL DVR Shareholders" shall mean the shareholders of the Demerged Company holding PRIL DVRs;
- 1.23 "PRIL Equity Shares" shall mean equity shares of the Demerged Company having a par value of Rs. 2/- each and having one vote each;
- 1.24 "PRIL Equity Shareholders" shall mean the shareholders of the Demerged Company holding PRIL Equity Shares;
- 1.25 "Record Date" shall mean the date to be fixed by the board of directors or a committee thereof of the Demerged Company for the purpose of determining the members of the Demerged Company to whom shares of the Resulting Company will be allotted pursuant to Part B of this Scheme in terms of Clause 12 hereof;



- 1.26 **"Relative"** has the meaning given to it in Section 6 of the Act and shall include members of Hindu undivided families;
- 1.27 **"Remaining Undertaking"** shall mean collectively all assets, rights, properties, liabilities, undertakings and businesses of the Demerged Company which are not part of the Demerged Undertaking;
- 1.28 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.29 **"Share Equivalents"** means preference shares, debentures, bonds, loans, warrants, options, depository receipts, debt securities, loan stock, notes, or any other instruments, agreements, deeds, securities or certificates which are convertible into or exchangeable for, or which carry a right to, or a right to, subscribe to or purchase or which represent or bestow any beneficial ownership / interest in, equity shares of PRIL or equity share capital of PRIL;
- 1.30 **"Specified Authorities"** means the High Court, CCI, RBI, Stock Exchanges, Registrar of Companies, SEBI or any other Governmental Authority whose approval is required for the Scheme;
- 1.31 **"Stock Exchanges"** means BSE Limited and the National Stock Exchange of India Limited; and
- 1.32 **"Resulting Company"** shall mean Peter England Fashions and Retail Limited, an unlisted public company incorporated under the provisions of the Companies Act, 1956 and having its registered office at having its registered office at Aditya Birla Centre, A-Wing, 4th Floor, S.K.Ahira Marg, Worli, Mumbai - 400030.
- 1.33 In this Scheme, unless the context otherwise requires:
- 1.33.1 words denoting the singular shall include the plural and vice versa;
- 1.33.2 headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- 1.33.3 references to the word "include" or "including" shall be construed without limitation;
- 1.33.4 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 1.33.5 reference to dates and times shall be construed to be reference to Indian dates and times;
- 1.33.6 reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- 1.33.7 number(s), word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to time;
- 1.33.8 words of either gender are deemed to include the other gender;
- 1.33.9 the terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Scheme or specified Clauses of this Scheme, as the case may be;
- 1.33.10 the ejusdem generis principle of construction shall not apply to this Scheme and, accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;

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1.33.11 the term "Clause" refers to the specified Clause of this Scheme; and

1.33.12 references to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

2. DATE OF TAKING EFFECT

The Scheme shall be operative from the Effective Date, but shall take effect from the Appointed Date. Part C of the Scheme shall come into effect on the Effective Date and shall be implemented in accordance with the terms thereof.

3. SHARE CAPITAL

3.1 The authorised, issued, subscribed and paid up capital of the Demerged Company as on August 31, 2012 is as follows:

PARTICULARS	AMOUNT (Rs.)
AUTHORISED CAPITAL	
50,00,00,000 equity shares of Rs 2 each (divided into 45,00,00,000 PRIL Equity Shares and 5,00,00,000 PRIL DVRs)	100,00,00,000
30,00,000 preference Shares of Rs.100 each	30,00,00,000
Total:	1,30,00,00,000
ISSUED CAPITAL	
23,15,93,991 equity shares of Rs 2 each (divided into 21,56,64,839 PRIL Equity Shares and 1,59,29,152 PRIL DVRs)	463,187,982
SUBSCRIBED CAPITAL	
23,15,82,591 equity shares of Rs 2 each (divided into 21,56,53,439 PRIL Equity Shares and 1,59,29,152 PRIL DVRs)	463,165,182
PAID UP CAPITAL	
23,15,82,591 equity shares of Rs 2 each (divided into 21,56,53,439 PRIL Equity Shares and 1,59,29,152 PRIL DVRs)	463,165,182

The equity shares of the Demerged Company are listed on the Stock Exchanges.

- 3.2 The authorised, issued, subscribed and paid up capital of the Resulting Company as on August 31, 2012 is as follows:

PARTICULARS	AMOUNT (Rs.)
<u>AUTHORISED CAPITAL</u>	
1,00,00,000 equity shares of Rs 10 each	10,00,00,000
1,00,15,000 preference Shares (1,00,00,000 shares of Rs. 10 each and 15,000 shares of Rs. 100 each)	10,15,00,000
<u>Total:</u>	<u>20,15,00,000</u>
<u>ISSUED SUBSCRIBED AND PAID UP CAPITAL</u>	
5,00,000 equity shares of Rs 10 each	50,00,000
5,00,500 preference shares (5,00,000 shares of Rs. 10 each and 500 shares of Rs. 100 each)	50,50,000
<u>Total:</u>	<u>1,00,50,000</u>

The entire issued equity share capital of the Resulting Company is held by Indigold and its nominees.

- 3.3 There are 800 (eight hundred) optionally fully convertible debentures, of Rs. 1,00,00,000 (Rupees One Crore each), of the Resulting Company convertible into 4,59,77,011 (Four Crores Fifty Nine Lakhs Seventy Seven Thousand and Eleven) equity shares of Rs. 10 (ten) each of the of the Resulting Company ("ITSL OFCDs").
- 3.4 The shares of the Resulting Company are at present not listed on any stock exchanges.



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PART B

DEMERGER

4. Transfer of Demerged Undertaking

4.1 Upon the coming into effect of this Scheme, the Demerged Undertaking (including all the estate, properties, assets, Demerged Liabilities, obligations, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, with effect from the Appointed Date, subject to the terms and conditions of this Scheme and without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in, and shall be deemed to have been demerged from the Demerged Company and transferred to and vested in, the Resulting Company, and pursuant to Section 394(2) of the Act and as per Section 2(19AA) of the Income Tax Act, 1961, as a going concern, so as to become as and from the Appointed Date, the estate, properties, assets, liabilities, debts, obligations, rights, claims, title, interest, authorities and undertaking of the Resulting Company.

4.2 Without prejudice to the generality of the foregoing, the transfer of the assets of the Demerged Undertaking shall occur in the following manner:

4.2.1 In respect of all the assets, benefits and privileges, as are movable in nature or are otherwise capable of transfer by physical delivery of possession or by endorsement and delivery, the same may be so transferred by the Demerged Company, and shall become the property of the Resulting Company in pursuance of the provisions of Section 394 of the Act as an integral part of the Demerged Undertaking.

4.2.2 In respect of movables other than those dealt with in Clause 4.2.1 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority, quasi governmental authority, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company).

4.2.3 In respect of such of the assets of the Demerged Undertaking other than those referred to in Clause 4.2.1 and 4.2.2, the same shall as more particularly provided in Clause 4.1 above, without any further act, instrument or deed, be demerged from the Demerged Company and be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company pursuant to the provisions of Section 394 of the Act.

4.2.4 Any assets acquired by the Demerged Company after the Appointed Date but prior to the Effective Date pertaining to the Demerged Undertaking shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme.

4.2.5 For the avoidance of doubt, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold / licensed properties or other properties which are used by the Demerged Company in relation to the Demerged Undertaking shall, pursuant to Section 394 (2) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in

the Resulting Company automatically without requirement of any further act or deed.

- 4.3 The transfer of the Demerged Liabilities of the Demerged Undertaking shall occur in the following manner:
- 4.3.1 Upon the coming into effect of this Scheme, the Demerged Liabilities shall, without any further act or deed, be demerged from the Demerged Company and be and stand transferred to, and be deemed to be demerged from the Demerged Company and be transferred to, the Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, duties and obligations of the Resulting Company.
- 4.3.2 Where any of the debts, liabilities, loans raised and used, obligations incurred, duties and obligations of the Demerged Company and relating the Demerged Undertaking deemed to be transferred to the Resulting Company hereunder have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 4.3.3 All loans raised with the consent of the Resulting Company and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date but prior to the Effective Date, shall, subject to the terms of this Scheme, to the extent that they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company, which shall meet discharge and satisfy the same.
- 4.3.4 Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any 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 Registrar of Companies, Maharashtra, Mumbai to give formal effect to the above provisions, if required.
- 4.4 The demerger and the transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Resulting Company under Clause 4.2 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- 4.4.1 The existing Encumbrances or those, if any created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Demerged Undertaking or any part thereof transferred to the Resulting Company by virtue of this Scheme, to secure borrowings which form part of the Demerged Undertaking, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company. Provided however, that no Encumbrances shall have been created by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date without prior written consent of the Resulting Company.
- 4.4.2 In so far as any Encumbrances over the assets comprised in the Demerged Undertaking are securities for liabilities of the Remaining Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and



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continue to operate against the assets retained by the Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause 4.4.2 shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

4.4.3 In so far as any Encumbrances over the assets comprised in the Remaining Undertaking are securities for liabilities of the Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets transferred to the Resulting Company and shall cease to operate against any of the assets retained in the Demerged Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause 4.4.3 shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

4.4.4 Without prejudice to the provisions of the foregoing clauses and upon effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute any instruments or documents and do all acts and deeds as may be required, including the filing of necessary forms for particulars/ modification / satisfaction of charge with the relevant Registrar of Companies to give formal effect to the above provisions if required.

4.4.5 The provisions of Clause 4.4 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5. Conduct of Business

5.1 With effect from the Appointed Date and upto and including the Effective Date:

5.1.1 the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities of the Demerged Undertaking and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking, for and on account of and in trust for the Resulting Company; and

5.1.2 all profits accruing to the Demerged Company or losses, arising or incurred by the Demerged Company (including the effect of taxes if any thereon), in relation to the Demerged Undertaking for the period commencing from the Appointed Date upto the Effective Date of the Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of the Resulting Company.

5.2 The Demerged Company shall continue, upto the Effective Date, to conduct the business of the Demerged Undertaking in the ordinary course.

6. LEGAL PROCEEDINGS

6.1 Upon the coming into effect of this Scheme, all legal or other proceedings (other than taxation) of



whatsoever nature (including before any statutory or quasi-judicial authority or tribunal), under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, by or against the Demerged Company relating to the Demerged Undertaking ("Proceedings"), shall be continued and enforced by or against the Resulting Company, to the extent legally permissible, after the Effective Date. To the extent, such Proceedings cannot be taken over by the Resulting Company; the Proceedings shall be pursued by the Demerged Company as per the instructions of the Resulting Company and entirely at the costs and expenses of the Resulting Company and any adverse judgment for claims made in such proceedings shall be borne by the Resulting Company. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Resulting Company, except as may be mutually agreed between the Demerged Company and the Resulting Company. The Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company. A list of the Proceedings by or against the Demerged Company and relating to the Demerged Undertaking pending as on mutually agreed date has been separately agreed between the Demerged Company and the Resulting Company and all other Proceedings pending as on such mutually agreed date, shall be carried on and shall be to the account of the Demerged Company.

- 6.2 In respect of Proceedings instituted against the Demerged Company regarding the Demerged Undertaking after the Appointed Date and upto the Effective Date, the Demerged Company shall defend the same in accordance with the instructions of the Resulting Company and at the cost of the Resulting Company.

7. **CONTRACTS, LICENSES, APPROVALS / PERMITS**

- 7.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme:

7.1.1 all permits and licenses, approvals, authorizations, certificates, clearances, consents, permissions, powers of attorney and registrations forming part of the Demerged Undertaking and issued by any Governmental Authority or any other third party; and

7.1.2 all intellectual property rights including all registered trademark and copyrights including in the brand "Pantaloons" and the benefits of all applications for registration forming part of the Demerged Undertaking;

shall continue in full force and effect in favour of, or shall stand transferred to, as the case may be, 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 and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company has been a party or beneficiary or obligee thereto.

- 7.2 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme all contracts, agreements, deeds, bonds, schemes, arrangements, software, other instruments of whatsoever nature, rights, benefits and entitlements forming a part of the Demerged Undertaking, and which are subsisting or have effect immediately before the Effective Date, shall stand transferred to 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.

- 7.3 The Resulting Company may, at any time after the coming into effect of this Scheme, if so required under any law or otherwise, execute deeds, confirmations, or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party, in relation to the Demerged Undertaking, or any writing as may be



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necessary to be executed in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above.

8. INTERIM ARRANGEMENTS

- 8.1 In the event any asset, contract, liability or property, which is a part of the Demerged Undertaking, does not get transferred to the Resulting Company upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company undertake to take all necessary steps, and execute all necessary documents, to ensure the transfer of such asset, contact, liability or property to the Resulting Company forthwith. The Demerged Company and the Resulting Company agree that pending such transfer of such assets, contract and property to the Resulting Company, the Demerged Company shall hold such assets and property in trust for the Resulting Company, and shall put in place necessary arrangements to ensure that the benefit of such assets, contract and properties goes to the Resulting Company until the same is transferred to the Resulting Company.

9. EMPLOYEES

- 9.1 With effect from the Effective Date:

- 9.1.1 All the employees, staff and workmen of the Demerged Company engaged in the Demerged Undertaking as on the Effective Date ("Demerged Employees") shall become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company without any break or interruption in service as a result of the transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company.
- 9.1.2 The Resulting Company agrees that the services of all the Demerged Employees with the Demerged Company prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the Demerged Employees may be eligible, and accordingly, the period of service of the Demerged Employees shall be reckoned therefore from the date of their respective appointment in the Demerged Company.
- 9.1.3 The contributions, and all accretions thereto, in the Government provident fund account, superannuation fund, gratuity fund and other benefit funds if any, of which the Demerged Employees are members or beneficiaries till the Effective Date, shall, with the approval of the concerned authorities, be transferred (in such proportion as is referable to the Demerged Employees being transferred to the Resulting Company) to the relevant funds of the Resulting Company for the benefit of the Demerged Employees on terms no less favourable. In the event that the Resulting Company has its own funds in respect of any of the funds referred to above, such investments shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own fund in respect of any of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Demerged Undertaking to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the investments and contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the funds created by the Resulting Company. In case, necessary approvals are not received by the Effective Date and there is delay, all such amounts shall continue to be administered by the Demerged Company in trust for the Resulting Company from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective funds of the Resulting Company *suo moto*.



10. TAXES

- 10.1 All taxes including income tax, central sales tax, excise duty, custom duty, service tax, VAT, and the like 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, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be on account of the Resulting Company and be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

Upon the Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise their income tax returns, services tax returns, sales tax returns and other tax returns, and to claim refunds and / or credits, etc. pursuant to the provisions of the Scheme.

11. REMAINING UNDERTAKING

- 11.1 The Remaining Undertaking and all the assets, properties, rights, liabilities and obligations thereto shall continue to belong to and be vested in and be managed by the Demerged Company and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Undertaking. From the Appointed Date, the Demerged Company shall carry on the activities and operations of the Remaining Undertaking distinctly and as a separate business from the Demerged Undertaking.

- 11.2 All legal, taxation and 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 pertaining to the Remaining Undertaking shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Demerged Company.

- 11.3 With effect from the Appointed Date and up to, including and beyond the Effective Date, the Demerged Company:

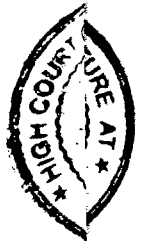
11.3.1 shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Remaining Undertaking for and on its own behalf; and

11.3.2 all profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of the Demerged Company.

12. REORGANISATION OF SHARE CAPITAL AND CONSIDERATION

- 12.1 The provisions of this Clause 12 shall operate notwithstanding anything to the contrary in this Scheme. In consideration of the provisions of Part B of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be restructured and reorganised in the manner set out in this Scheme.

- 12.2 Upon this Scheme coming into effect, the authorised equity share capital of the Resulting Company shall stand increased from Rs. 10,00,00,000/- (Rupees Ten Crores only) to Rs. 100,00,00,000 (Rupees One Hundred Crores only). Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 16 and the other relevant and applicable provisions of the Act for the



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alteration of the memorandum of association, as provided in this Scheme.

- 12.3 Upon this Scheme coming into effect, the ITSL OFCDs shall stand converted into 4,59,77,011 (Four Crores Fifty Nine Lakhs Seventy Seven Thousand and Eleven) equity shares of Rs. 10 (ten) each of the of the Resulting Company.
- 12.4 Upon this Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each Equity Shareholders whose name appears in the records of the Demerged Company or as beneficiary in the records of the depositories of the Demerged Company in respect of the shares of Demerged Company on the Record Date, 1 (one) equity share of Rs. 10/- each, credited as fully paid in the capital of the Resulting Company, for every 5 (five) fully paid up PRIL Equity Shares/ PRIL DVRs held by them in the Demerged Company (the "Share Entitlement Ratio").
- 12.5 In the event of any increase in the issued, subscribed or paid up share capital of PRIL or issuance of any Share Equivalents or any consolidation, stock split, bonus issue, free distribution of shares or other similar action in relation to the Share Capital of PRIL, that occurs at any time before the Record Date, the number of PRIL Equity Shares / PRIL DVR Shares in the Share Entitlement Ratio shall be appropriately adjusted to ensure that the shareholding of the original shareholders of PEFRL in the post Demerger share capital of PEFRL, is not reduced below the shareholding it would have retained under the Share Entitlement Ratio prior to such change in the Share Capital of PRIL and assuming conversion of the Share Equivalents.
- 12.6 The equity shares to be issued and allotted by the Resulting Company as per Clause 12 hereof shall be at par, credited as fully paid up and shall have rights attached thereto as under:
- 12.6.1 they shall in all respects, rank *pari passu* with the existing equity shares of the Resulting Company; and
- 12.6.2 they will be subject to the applicable provisions of the Charter Documents of the Resulting Company.
- 12.7 Shares to be issued by the Resulting Company pursuant to Clause 12 in respect of any PRIL Equity Shares and PRIL DVRs which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by the Resulting Company.
- 12.8 In so far as the issue of shares pursuant to Clause 12 is concerned, the same shall be issued and allotted in dematerialized form to those PRIL Equity Shareholders and PRIL DVR Shareholders who hold PRIL Equity Shares/ PRIL DVRs in dematerialized form, in to the account with the Depository Participant in which the PRIL Equity Shares/ PRIL DVRs in the Demerged Company are held or such other account with the Depository Participant as is intimated by the PRIL Equity Shareholders and PRIL DVR Shareholders to the Resulting Company before the Record Date. All those PRIL Equity Shareholders and PRIL DVR Shareholders who hold PRIL Equity Shares/ PRIL DVRs of the Demerged Company in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Resulting Company before the Record Date. In the event that the Resulting Company has received notice from any PRIL Equity Shareholder/ PRIL DVR Shareholder that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her /its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company

shall issue equity shares of the Resulting Company, in accordance with the Share Entitlement Ratio, as the case may be, in physical form to such PRIL Equity Shareholder/ PRIL DVR Shareholder.

- 12.9 In case any PRIL Equity Shareholder/ PRIL DVR Shareholder has holding in the Demerged Company is such that it becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:
- 12.9.1 Consolidate such fractions and issue consolidated shares to a trustee nominated by the Resulting Company in that behalf, who shall, at its discretion, tender the shares in the Open Offer or sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;
 - 12.9.2 Round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of Securities to the relevant shareholder;
 - 12.9.3 Pay cash in lieu of Securities towards the fractional entitlements on the basis of Rs. 175/- (Rupees One Hundred Seventy Five) per share; or
 - 12.9.4 Deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Demerged Company and the Resulting Company.
- 12.10 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the board of directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in the Demerged Company and in relation to the shares issued by the Resulting Company after the effectiveness of this Scheme. The board of directors of the Demerged Company and the Resulting Company shall be empowered to jointly 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 difficulties faced in the transaction period.
- 12.11 The shares issued by the Resulting Company in terms of Clause 12 of this Scheme and the shares held by shareholders of the Resulting Company prior to such issuance will be listed and / or admitted to trading on the Stock Exchanges, where the shares of the Demerged Company are listed and / or admitted to trading and all necessary applications will be made in this respect by the Resulting Company.
- 12.12 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to Indigold and the shareholders of the Demerged Company, as provided in this Scheme.
- 12.13 The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange; however, open offer as contemplated in Clause 15.1 of the Scheme shall be permitted, subject to necessary regulatory approvals.





- 13.2 Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 16 and the other relevant and applicable provisions of the Act for the alteration of the memorandum of association, as provided in this Scheme. Pursuant to this Scheme, the Resulting Company shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association of the Resulting Company.

14. **AMENDMENT OF THE CAPITAL CLAUSE**

- 14.1 Upon this Scheme coming into effect, Clause V of the Memorandum of Association of the Resulting Company, being the capital clause of the Resulting Company shall be without any further act or deed, be amended, restated and replaced by the following clause:

"The Authorised Share Capital of the Company is Rs 110,15,00,000 (Rupees One Hundred Ten Crores and Fifteen Lakhs only) divided into 10,00,00,000 (Ten Crores only) Equity Shares of Rs.10 (Rupees Ten only) each amounting to Rs. 100,00,00,000/- (Rupees Hundred Crores Only), 8% 1,00,00,000 (One Crore only) Redeemable Cumulative Preference Shares of Rs. 10 (Rupees Ten only) each amounting to Rs. 10,00,00,000/- (Rupees Ten Crore Only) and 15,000 (Fifteen Thousand only) Redeemable Cumulative Preference Shares of Rs. 100 (Rupees Hundred only) each amounting to Rs. 15,00,000/- (Rupees Fifteen Lakhs Only) and with a power to increase or reduce the capital of the company in accordance with the provisions of the Companies Act, 1956 and to classify or reclassify the Share Capital."

Approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 16 and the other relevant and applicable provisions of the Act for the alteration of the memorandum of association, as provided in this Scheme.



PART C

OPEN OFFER AND MANAGEMENT OF RESULTING COMPANY

15. Open Offer

- 15.1 On or after the Effective Date, but prior to the listing of PEFRL Shares, Indigold and/or its Affiliates may make an Open Offer to the public shareholders of PEFRL to acquire from such public shareholders up to 26% of the issued post Demerger and paid up equity share capital of PEFRL based on the price per share of Rs. 175 (One Hundred and Seventy Five).
- 15.2 The Open Offer if made shall be effected in the following manner:
- 15.2.1 Indigold shall send an offer letter (along with relevant details) (the "Offer Letter") to the equity shareholders of the Resulting Company as on the Record Date in terms of which Indigold and/ or its Affiliates (the "Acquirer") shall make an offer to the shareholders of the Resulting Company, to purchase up to 26% of the post Demerger total issued and paid up share capital of the Resulting Company) at Rs. 175 (Rupees One Hundred and Seventy Five only) per share (the "Offer Price").
- 15.2.2 Following the receipt of such Offer Letter, and within the time prescribed therein, the equity shareholders may tender their equity shares to the Acquirer.
- 15.2.3 The detailed procedure and the manner in which the equity shares shall be purchased from the public shareholders by the Acquirer shall be prescribed in the guidelines issued to the equity shareholders along with the Offer Letter.
- 15.2.4 The number of equity shares of the Resulting Company accepted by the Acquirer in terms of the Open Offer shall not exceed such number of fully paid up equity shares which represent 26% of the subscribed and paid-up equity share capital of the Resulting Company after issuance of shares under the Demerger pursuant to the Scheme. It is hereby clarified that if the equity shares tendered exceeds 26% of the post Demerger total issued and paid up share capital of the Resulting Company, then the Acquirer shall be entitled to accept the equity shares on a proportionate basis taking care to ensure that the basis of acceptance is decided on a fair and equitable manner. The decision of the board of directors (or a committee thereof) of Indigold in this behalf shall be final and binding.
- 15.2.5 The promoters of the Demerged Company shall not be entitled to participate in the Open Offer.
- 15.2.6 The acquisition of the shares of the Resulting Company would be exempt under Regulations 10(1)(d)(ii) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 from the application of Regulations 3 and 4 of the said Regulations.

16. Management of Resulting Company

ABNL (and if applicable its Affiliates) shall be the only 'promoters' of the Resulting Company, and the existing promoters of the Demerged Company shall form part of the public shareholders of the Resulting Company and will not be considered or deemed to be a promoter of the Resulting Company or a persons acting in concert with ABNL and/or its Affiliates, or named as such promoter or person acting in concert in any document for any purpose whatsoever, post effectiveness of the Scheme, the Demerged Company and the Resulting Company shall make necessary filings and declarations for ABNL and its Affiliates to be categorised as the sole 'promoters' of the Resulting Company.

PART D

GENERAL TERMS AND CONDITIONS

17. ACCOUNTING TREATMENT IN THE BOOKS OF PEFRL

- 17.1 Upon the effectiveness of the Demerger:
- 17.1.1 the Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at the same value as appearing in the Opening Financial Statement;
 - 17.1.2 the Resulting Company shall issue shares to shareholders of the Demerged Company. These shares shall be issued and recorded at its face value and accordingly the aggregate face value of the shares to be issued shall be credited to its share capital account; and
 - 17.1.3 the difference, if any, between the value of assets and value of liabilities pertaining to the Demerged Undertaking, after adjusting the amount credited as share capital as per Clause 17.1.2, shall be treated as goodwill, in case of a debit balance and Capital reserve in case of a credit balance. The capital reserve or goodwill as the case may be, may be dealt with by the Resulting Company as may be determined by Board of Directors;
 - 17.1.4 Further if there is any difference on treatment on any accounting due to different accounting practices followed by Resulting Company and Demerged Company, the same would be recorded as per the practices followed by the resulting company and resultant goodwill / capital reserve account will be adjusted accordingly.
 - 17.1.5 The Resulting Company shall determine and recognize the deferred tax assets and the deferred tax liability as on appointed date based on the assets and liabilities of the Demerged Undertaking and adjust the same against goodwill / capital reserve, as the case may be.
 - 17.1.6 All expenses and related cost incurred in implementation of this Scheme shall be charged against the reserve of the Resulting Company.

18. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

- 18.1 Upon the coming into effect of the Demerger:
- 18.1.1 the book values of the assets and liabilities pertaining to the Demerged Undertaking transferred by the Demerged Company to the Resulting Company shall be reduced from the book values of the assets and liabilities appearing in the books of the Demerged Company.
 - 18.1.2 the excess of book value of assets over book value of liabilities of the Demerged Undertaking, if any, shall be adjusted against the balance in the general reserve / balance in profit and loss account of the Demerged Company. In case of a shortfall, the shortfall shall be credited to capital reserve account of the Demerged Company.

19. DIVIDEND

- 19.1 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Demerged Company or the Resulting Company from declaring and paying dividends, whether interim or final, to its shareholders in respect of the accounting period prior to the Effective Date. Provided that none of the shareholders of the Demerged Company shall be entitled to



dividend, if any, declared and paid by the Resulting Company to its shareholders for the accounting period prior to the Effective Date.

- 19.2 The holders of the shares of each of the Demerged Company and Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividend.
- 19.3 It is clarified that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any shareholder of any Company to demand or claim any dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the relevant Company, and subject to the approval, if required, of the shareholders of the relevant Company.

20. APPLICATIONS TO THE HIGH COURT

The Demerged Company and the Resulting Company shall make necessary applications to the Bombay High Court for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Act.

21. MODIFICATIONS OR AMENDMENTS

- 21.1 The Demerged Company and the Resulting Company, in their full and absolute discretion, may assent to any modification(s) or amendment(s) to the Scheme which the Bombay High Court may deem fit to impose and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.
- 21.2 Other than as mutually agreed between the Demerged Company and the Resulting Company, the Demerged Company and the Resulting Company shall assent to any modification(s) or amendment(s) to the Scheme which the Bombay High Court or any Specified Authorities may deem fit to impose.
- 21.3 The Board of Directors of the Demerged Company and the Resulting Company may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders of the respective companies), 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 law).
- 21.4 Except as mutually agreed between the Demerged Company and the Resulting Company, the Board of Directors of the Demerged Company and the Resulting Company may, acting jointly in their full and absolute discretion, modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time. The Board of Directors of the Demerged Company and the Resulting Company, jointly, may also at any time make such modifications as they may consider necessary in relation to the procedure and modalities of effecting the transactions contemplated herein.

Any issue as to whether any asset, liability, employee, legal or other proceedings pertains to the Demerged Undertaking or not shall be decided mutually by the Boards of Directors of the Demerged Company and the Resulting Company.

22. CONDITIONALITY OF SCHEME

- 22.1 The Scheme is conditional upon and subject to the following:
- 22.1.1 approval of this Scheme by the requisite majority of each class of members and creditors of each of the Demerged Company, and the Resulting Company;



- 22.1.2 sanction of this Scheme by the Bombay High Court;
- 22.1.3 the Competition Commission of India either having (i) granted approval to, or (ii) be deemed to have granted approval to, through the expiration of time periods available for their investigation and any period of limitation for filing an appeal therefrom having elapsed, the Demerger pursuant to the provisions of the Competition Act, 2002 and the rules and regulations thereunder;
- 22.1.4 certified copies of orders under Sections 391 to 394 of the Act being duly filed with the Registrar of Companies, Maharashtra; and
- 22.1.5 such other sanctions and approvals, and conditions that the Demerged Company and the Resulting Company may mutually agree to.
- 22.2 The date on which the last of the conditions specified in Clause 22.1 of this Scheme have been fulfilled shall be the "Effective Date" for the purpose of this Scheme.
- 23. TERMINATION & WITHDRAWAL OF THIS SCHEME**
- 23.1 This Scheme shall terminate forthwith in the following cases:
- 23.1.1 the Scheme has not come into effect on or before December 14, 2013 or on such extended date as may be mutually agreed by the Board of Directors of the Demerged Company and the Resulting Company;
- 23.1.2 the optionally fully convertible debentures of the Demerged Company issued to the Resulting Company, on June 14, 2012, have been redeemed or converted;
- 23.1.3 final and non-appealable rejection of any approval required for the Scheme, including from the High Court and the Competition Commission of India; or
- 23.1.4 as otherwise mutually agreed between the Demerged Company and the Resulting Company.
- 23.2 In the event that this Scheme is terminated or withdrawn in the manner set out herein, this Scheme shall stand revoked, cancelled and be of no effect and null and void and in such event each party hereto shall bear and pay their respective costs, charges and expenses for and or in connection with the Scheme and the Demerged Company, and Resulting Company shall withdraw the Scheme.
- 23.3 It is clarified that the Scheme cannot be terminated other than in the manner set out in this Clause 23.
- 24. CHANGE OF NAME**
- 24.1 With effect from the Effective Date, the name of the Demerged Company shall be changed to "FUTURE RETAIL INDIA LIMITED" or such other name as may be decided by the board of directors or a committee thereof and approved by the concerned registrar of companies. Further, the name of PANTALOOON RETAIL (INDIA) Limited wherever it occurs in its memorandum and articles of association be substituted by such name.
- 24.2 Unless changed earlier, with effect from the Effective Date, the name of the Resulting Company shall be changed to "PANTALOONS FASHION & RETAIL LIMITED" or such other name as may be decided by the board of directors or a committee thereof and approved by the concerned registrar of companies. Further, the name of PETER ENGLAND FASHION RETAIL LIMITED wherever it occurs in its memorandum and articles of association be substituted by such name. Approval of this Scheme by the shareholders of the Resulting



Company shall be deemed to be the due compliance of the provisions of Section 16 and 21 and the other relevant and applicable provisions of the Act for the alteration of the memorandum of association and articles of associations, as provided in this Scheme.

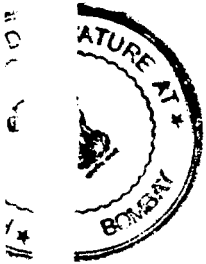
25. **COSTS, CHARGES AND EXPENSES**

25.1 Demerged Company and the Resulting Company shall bear its own costs relating to the High Court process including the filing fees and costs of convening meetings.

25.2 Stamp duty payable in relation to the Scheme shall be borne by the Resulting Company.

26. **SEVERABILITY**

If any part of the Scheme is found to be unworkable for any reason, the same shall not, affect the validity or implementation of the other parts of the Scheme.



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**AMARCHAND & MANGALDAS &
SURESH A. SHROFF & CO.**
Advocates & Solicitors

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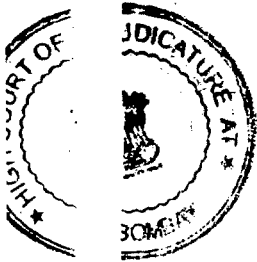
25/03/2013
Mrs. K. M. RA
COMPANY REG
HIGH COURT (O.S.)
BOMBAY

SCHEDULE 1

OPENING FINANCIAL STATEMENT

Statement of Assets and Liabilities of Pantaloons Format as at June 30, 2012 to be transferred under the proposed scheme of arrangement"

Liabilities:-	Amount (Rupees in lacs)
Loans	160,000.00
Trade Payables	33637.67
Statutory liabilities (net)	624.47
Other Liabilities	5,333.18
TOTAL	199,595.32
Assets	
Fixed Assets	
-Net block	52,967.16
-CWIP	2,294.21
Current Assets	
Inventories	34,261.24
Trade Receivables	483.50
Cash and Bank Balances	
Cash in hand	247.98
Balances with Bank	73.36
Loans and Advances	
Deposits	4628.98
Advances to Suppliers	224.53
Advances for Capital Goods	279.08
Other advances	29.10
TOTAL	95,489.14



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25/03/2013
Mrs. K. M. RANE
 COMPANY REGISTRAR
 HIGH COURT (O.S.)
 BOMBAY

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[Signature]
AMARCHAND & MANGALDAS &
SURESH A. SHROFF & CO.
 Advocates & Solicitors

HIGH COURT, BOMBAY

508273

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 812 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 642 OF 2015

In the matter of the Companies Act, 1956 or any re-enactment thereof;

And

In the matter of Petition under Sections 391 to 394, of the Companies Act, 1956 or any re-enactment thereof;

And

In the matter of Composite Scheme of Arrangement amongst

Aditya Birla Nuvo Limited (First Demerged Company),

Madura Garments Lifestyle Retail Company Limited
(Second Demerged Company),

Pantaloons Fashion & Retail Limited (Resulting
Company)

and their respective Shareholders and Creditors.



HIGH COURT, BOMBAY

508274

Pantaloons Fashion & Retail Limited [CIN:)
L18101MH2007PLC233901] a company)
incorporated under the provisions of the)
Companies Act, 1956 and having its registered)
office at 701-704, 7th Floor, Skyline Icon)
Business Park, 86-92, Off A.K. Road, Marol)
Village, Andheri (East), Mumbai 400059) ...Petitioner Company

Called for Hearing

Mr. Tapan Deshpande, Advocate instructed by Cyril Amarchand Mangaldas, Advocates
for the Petitioner Company.

Mr. A. Yadav, i/b Mr. A.A. Ansari for Regional Director

Coram: K. R. Shriram, J.

Date: 5th December, 2015

MINUTES OF THE ORDER

PC:


1. Heard Counsel for the parties. No objector has come before the Court to oppose the Scheme nor has any party controverted any averments made in the Petition.
2. Learned Advocate for the Petitioner Company states that the Petition has been filed to seek sanction to the Composite Scheme of Arrangement amongst Aditya Birla Nuvo Limited (First Demerged Company), Madura Garments Lifestyle Retail Company Limited (Second Demerged Company), Pantaloons Fashion & Retail Limited ("Petitioner Company" or "Resulting Company") and their respective Shareholders and Creditors (the "Composite Scheme of Arrangement" or the "Scheme"), pursuant to the provisions of Sections 391 to

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394 of the Companies Act, 1956 or any re-enactment thereof.

3. The Learned Advocate for the Petitioner Company states that the Petitioner Company has complied with all the directions passed in the Company Summons for Direction and that the Company Scheme Petition has been filed in consonance with the order passed in Company Summons for Direction.
4. The Learned Advocate for the Petitioner Company has stated that the Petitioner Company has complied with all requirements as per the directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover the Petitioner Company undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 1956 or any re-enactment thereof and the Rules made thereunder. The said undertaking is accepted.
5. The Petitioner Company is engaged in the business of apparel retail. The Petitioner Company is a subsidiary of Indigold Trade & Services Limited which in turn is a wholly owned subsidiary of First Demerged Company. The First Demerged Company is a diversified conglomerate with various business interests including manufacturing of fertilizers, viscose filament yarn, insulators etc., financial services, telecom and fashion & lifestyle. Madura Fashion & Lifestyle is the division of the First Demerged Company which is engaged in the business of manufacturing and retailing of branded apparels. The Second Demerged Company

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inter alia is engaged in the businesses of apparel retail and holding of investments. The Second Demerged Company is a wholly owned subsidiary of the First Demerged Company. The learned Advocate for the Petitioner Company says that the rationale and significant benefits of the Scheme are that, presently, the apparel retail businesses of the Aditya Birla Group are housed under separate entities including First Demerged Company, Second Demerged Company and Petitioner Company. Consolidating the similar businesses of the group within one company would enable the business activities to be carried out with greater focus and specialisation for sustained growth. Each business will also benefit from the potential synergies of combining with the similar and related businesses, thereby resulting in enhancement of shareholder value. Thus, the Scheme is sought to be undertaken to consolidate the apparels retail businesses of the Aditya Birla group within one company to unlock value and accrue potential synergy benefits for the business arising *inter alia* on account of operational efficiency in matters such as sourcing, infrastructure, and information technology. The Board of Directors of the Petitioner Company, First Demerged Company and the Second Demerged Company have approved the said Scheme by passing their respective board resolutions which are annexed to the Petition. Further the Counsel for the Petitioner Company submits that the Gujarat High Court in the Company Petitions filed by the First Demerged Company and the Second Demerged Company, before it has by its common order dated 23rd October, 2015 sanctioned the Scheme.

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6. The Regional Director has filed an Affidavit dated 24th November, 2015, stating therein, that save and except as stated in paragraph 6 of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of the shareholders of the Petitioner Company and public. In paragraph 6 of the Affidavit it is stated that:

"6. That the Deponent further submits that the Tax issue if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the petitioner company after giving effect to the amalgamation The decision of the Income Tax Authority is binding on the petitioner company."

7. As regards the observation set out in paragraph 6, of the Affidavit of the Regional Director is concerned, the Petitioner Company through its Advocate submits that the Petitioner Company is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme will be answered in accordance with law.

8. The Learned Counsel for the Regional Director on instructions of Mr. M. Chandanamuthu, Joint Director Legal, in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the undertaking given hereinabove by the Petitioner Company through its Advocate.

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9. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
10. Since all requisite statutory compliance has been fulfilled, Company Scheme Petition No. 812 of 2015 filed by the Petitioner Company is made absolute in terms of prayer clause (a), sanctioning the Scheme.
11. The Petitioner Company to lodge a copy of this order along with a copy the Scheme, duly authenticated by the Company Registrar, High Court [O.S.], Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of the order.
12. The Petitioner Company is directed to file a copy of this order along with a copy of the Scheme duly authenticated by the Company Registrar, High Court [O.S.], Bombay, with the concerned Registrar of Companies, electronically, along with e-form 21/ INC 28 in addition to physical copy as per the provisions of Companies Act, 1956/2013, whichever is applicable.
13. The Petitioner Company to pay costs of Rs. 10,000/- to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from today.
14. Filing and issuance of the drawn up order is dispensed with.

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15. All concerned authorities to act on a copy of this order along with the Scheme, duly authenticated by the Company Registrar, High Court [O.S.], Bombay.

(K. R. Shriram, J.)

CERTIFICATE

I certify that the order uploaded is a true and correct copy of original signed order

Uploaded by: S. Gawde
Stenographer

TRUE COPY

K. R. Shriram
21/11/15
(K. R. SHRIRAM)
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY
S. Gawde
21/11/15
High Court, Appellate Side
Bombay

**COMPOSITE SCHEME OF ARRANGEMENT
AMONGST**

**ADITYA BIRLA NUVO LIMITED ... FIRST DEMERGED
COMPANY**

**MADURA GARMENTS ... SECOND DEMERGED
LIFESTYLE RETAIL COMPANY COMPANY
LIMITED**

**PANTALOONS FASHION & ... RESULTING
RETAIL LIMITED COMPANY**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I – GENERAL

1. INTRODUCTION

- 1.1. Aditya Birla Nuvo Limited (“ABNL” or the “First Demerged Company”) is a public limited company incorporated under the Act (as defined hereinafter), having its registered office at Indian Rayon Compound, Veraval, Gujarat 362266. The equity shares of ABNL are listed on the Stock Exchanges (as defined hereinafter) and the GDRs (as defined hereinafter) of ABNL are listed on the Luxembourg Stock Exchange. ABNL is a diversified conglomerate with various business interests including manufacturing of fertilizers, viscose filament yarn, insulators etc., financial services, telecom and fashion & lifestyle. Madura Fashion & Lifestyle is the division of ABNL which is engaged in the business of manufacturing and retailing of branded apparels (“Madura Business”).
- 1.2. Madura Garments Lifestyle Retail Company Limited (“Madura Garments Lifestyle” or the “Second Demerged Company”) is a company incorporated under the Act, having its registered office at Indian Rayon Compound, Veraval, Gujarat, 362266. Madura Garments Lifestyle is a wholly owned subsidiary of ABNL and is *inter alia* engaged in the businesses of apparel retail and holding of investments. The apparel retail business of Madura Garments Lifestyle is hereinafter referred to as the “MGL Retail Business”.

1.3. Pantaloons Fashion & Retail Limited (“PFRL” or the “**Resulting Company**”) is a public limited company incorporated under the Act, having its registered office at 701-704, 7th Floor, Skyline Icon Business Park, 86-92, Off A.K. Road, Marol Village, Andheri (East), Mumbai 400059, and is engaged in the business of apparel retail. PFRL is a subsidiary of Indigold Trade & Services Limited which in turn is a wholly owned subsidiary of ABNL. The equity shares of PFRL are listed on the Stock Exchanges.

1.4. Rationale for restructuring:

Presently, the apparels retail businesses of the Aditya Birla group are housed under separate entities including ABNL, Madura Garments Lifestyle and PFRL. Consolidating the similar businesses of the group within one company would enable the business activities to be carried out with greater focus and specialisation for sustained growth. Each business will also benefit from the potential synergies of combining with the similar and related businesses, thereby resulting in enhancement of shareholder value. Thus, the Scheme (as defined hereinafter) is sought to be undertaken to consolidate the apparels retail businesses of the Aditya Birla group within one company to unlock value and accrue potential synergy benefits for the business arising *inter alia* on account of operational efficiency in matters such as sourcing, infrastructure, and information technology.

1.5. In furtherance of the aforesaid, this Scheme provides for the following:

- (i) the transfer by way of a demerger of the Madura Undertaking (as defined hereinafter) of the First Demerged Company to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the First Demerged Company (“**First Demerger**”);
- (ii) the transfer by way of a demerger of the MGL Retail Undertaking (as defined hereinafter) of the Second Demerged Company to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Second Demerged Company (“**Second Demerger**”); and
- (iii) various other matters consequential or integrally connected therewith, including the reorganisation of the share capital of the Resulting Company;

pursuant to Sections 391 – 394 and other relevant provisions of the Act (including corresponding provisions of the Companies Act, 2013 as may be applicable) in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(19AA) thereof.

1.6. Each of the First Demerger and the Second Demerger (collectively, the "Demergers") shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:

- (i) all the properties of each of the Demerged Companies forming part of the Demerged Undertakings (as defined hereinafter) immediately before each of the Demergers shall become the properties of the Resulting Company by virtue of such Demergers;
- (ii) all the liabilities relatable to each of the Demerged Companies forming part of the Demerged Undertakings immediately before each of the Demergers shall become the liabilities of the Resulting Company by virtue of such Demergers;
- (iii) the properties and the liabilities relatable to each of the Demerged Companies forming part of the Demerged Undertakings shall be transferred to the Resulting Company at the values appearing in the books of account of the respective Demerged Companies immediately before the Demergers;
- (iv) the Resulting Company shall issue, in consideration of each of the Demergers, shares to the shareholders of the Demerged Companies on a proportionate basis;
- (v) all shareholders of the Demerged Companies shall become the shareholders of the Resulting Company by virtue of the Demergers; and
- (vi) the transfer of the Demerged Undertakings shall be on a going concern basis.

1.7. This Scheme is divided into the following parts:

- (i) **Part I**, which deals with the introduction, definitions and interpretation, and share capital;
- (ii) **Part II**, which deals with the Demergers;
- (iii) **Part III**, which deals with the authorized share capital of the Resulting Company; and
- (iv) **Part IV**, which deals with general terms and conditions applicable to the Scheme.

2. DEFINITIONS AND INTERPRETATION

2.1. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

“ABNL Employees” shall mean all the permanent employees of the First Demerged Company employed in the Madura Undertaking as on the Effective Date;

“ABNL ESOS” shall mean employee stock option schemes named as “ESOS – 2006” and “Scheme 2013” as approved by the Board of Directors and shareholders of the First Demerged Company, collectively;

“ABNL GDRs” shall mean the GDRs issued by the First Demerged Company pursuant to the deposit agreements executed by it with the Depository (as amended from time to time) and as are outstanding as of the ABNL Record Date;

“ABNL Record Date” means the date to be fixed by the Board of Directors of the First Demerged Company for the purpose of determining the equity shareholders of the First Demerged Company to whom shares of the Resulting Company shall be allotted pursuant to the First Demerger under this Scheme;

“ABNL Remaining Business” shall mean all the undertakings, businesses, activities, operations, assets and liabilities (including investments in shares and securities and identified assets and bank balances) of the First Demerged Company, other than those comprised in the Madura Undertaking. For the avoidance of doubt, it is hereby clarified that the investments held (whether directly or indirectly) by the First Demerged Company in the Resulting Company and the Second Demerged Company shall form part of the ABNL Remaining Business. It is further clarified that any credit or right to repayment in relation to any corporate tax paid by way of advance tax by the First Demerged Company (including in relation to the Madura Undertaking) prior to the Effective Date shall form part of the ABNL Remaining Business;

“Act” shall mean the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force, including the Companies Act, 2013 and provisions thereof as are notified and applicable from time to time and shall include any statutory modifications, re-enactment or amendments thereof;

“Appointed Date” shall mean April 1, 2015;

“Board of Directors” in relation to each of the Companies, as the case may be, means the board of directors of such company and, unless it be repugnant to the context, includes a duly authorised committee of directors;

“Bombay High Court” means the High Court of Judicature at Bombay and shall include, if applicable, the National Company Law

Tribunal, as applicable or such other forum or authority as may be vested with the powers of a High Court for the purposes of Sections 391 to 394 of the Act or Sections 230 to 232 of the Companies Act, 2013, as may be applicable;

“BSE” shall mean BSE Limited;

“Companies” shall mean the First Demerged Company, the Second Demerged Company, and the Resulting Company, or any two or more of them as the context may require;

“Demerged Companies” shall mean the First Demerged Company and the Second Demerged Company, collectively;

“Demerged Liabilities” shall have the meaning set forth in Clause 6.1;

“Demerged Undertakings” shall mean the Madura Undertaking, and the MGL Retail Undertaking, collectively;

“Demergers” shall have the meaning set forth in Clause 1.6;

“Deposit Agreement” shall have the meaning set forth in Clause 26(i) hereof;

“Depository” shall mean Citibank, N.A., being the depository for the ABNL GDRs;

“Effective Date” shall mean the last of the dates on which the conditions and matters referred to in Clause 38 hereof occur or have been fulfilled or waived and references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective Date;

“Employee Benefit Funds” shall have the meaning set forth in Clause 8.2;

“Encumbrance” or “Encumber” shall mean any: (i) encumbrance including without limitation any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other similar interest held by a third person; (ii) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law; (iii) right of pre-emption, right of first offer, or refusal or transfer restriction in favour of any person; and/or (iv) any adverse claim as to title, possession or use;



“First Demerged Company” shall have the meaning set forth in Clause 1.1;

“First Demerger” shall have the meaning set forth in Clause 1.5(i);

“GDRs” means global depository receipts issued pursuant to the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (including any statutory modifications, re-enactment or amendments thereof for the time being in force) and other applicable Laws and where relevant shall include the underlying equity shares related thereto;

“Governmental Authority” shall mean any national, state, provincial, local or similar government, governmental, statutory, regulatory or administrative authority, government department, agency, commission, board, branch, tribunal or court or other entity authorized to make Laws, rules, regulations, standards, requirements, procedures or to pass directions or orders having the force of Law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law, or any stock exchange of India or any other country;

“Gujarat High Court” shall mean the High Court of Gujarat at Ahmedabad and shall include, if applicable, the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with the powers of a High Court for the purposes of Sections 391 to 394 of the Act or Sections 230 to 232 of the Companies Act, 2013, as may be applicable;




“High Court” shall mean the Bombay High Court or the Gujarat High Court, as may be applicable;

“Law” shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question;

“Madura Entitlement Ratio” shall have the meaning set forth in Clause 19(i);

“Madura Undertaking” shall mean the First Demerged Company's undertakings, business, activities and operations pertaining to the Madura Business, on a going concern basis, and shall mean and include, without limitation:

- 
- (a) all assets and properties of the Madura Business wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, including all buildings, warehouses, stores, factory outlets, stores under progress, equipment, structures, offices, all lands (whether leasehold or freehold), benefits of any rental agreements for use of premises, marketing offices, capital works in progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), stock-in-trade, stock-in-transit, merchandise (including raw materials), finished goods, supplies (including wrapping supplies), packaging items, all whether in transit or located at stores (including factory outlets) and warehouses, computers, vehicles, furniture, fixtures, office equipment, appliances, accessories, power lines, share of any joint assets, any finished goods and any facilities, cash, cash equivalents and bank accounts (including bank balances), benefit of any deposits, financial assets, insurances, funds, provisions, and benefit of any bank guarantees, performance guarantees and letters of credit appertaining or relatable to the Madura Business;
 - (b) all permits, quotas, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions, approvals, consents, subsidies, tenancies in relation to the office and/or residential properties for the employees, benefit of any deposits, privileges, all other rights including sales tax deferrals and exemptions and other benefits, lease rights, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and all other interests in connection with or relating to the Madura Business;
 - (c) all lease agreements, leave and license agreements, and all contracts and arrangements in any form, including those pertaining to franchises, brand license, vendors, stores maintenance, housekeeping, security, contract workers, and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Madura Business;
 - (d) all earnest moneys and/or security deposits paid by the First Demerged Company in connection with or relating to the Madura Business;
 - (e) all the ABNL Employees;

- (f) all records, files, papers, engineering and process information, any computer programs, licenses for software, and any other software licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Madura Business;
- (g) all goodwill of the First Demerged Company associated with the Madura Business;
- (h) advantages of whatsoever nature and wheresoever situate 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 First Demerged Company in relation to the Madura Business, including all intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), used in relation to the Madura Business, and all other trade names, service names, trade marks, brands, copyrights, designs, know-how and trade secrets connected with the Madura Business; and
- (i) all debts, borrowings, obligations and liabilities, both present and future, (including contingent liabilities and the Demerged Liabilities pertaining to the Madura Undertaking, and obligations under any licenses or permits or schemes), whether secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheet of the First Demerged Company, appertaining or relating to the Madura Business;



For the avoidance of doubt, it is hereby clarified that the investments held (whether directly or indirectly) by the First Demerged Company in the Resulting Company and the Second Demerged Company shall not form part of the Madura Undertaking;

“MGL Employees” shall mean all the permanent employees of the Second Demerged Company employed in the MGL Retail Undertaking as on the Effective Date;

“MGL Equity Share Entitlement Ratio” shall have the meaning set forth in Clause 19(ii)(a);

“MGL Preference Share Entitlement Ratio” shall have the meaning set forth in Clause 19(ii)(b);

“MGL Record Date” means the date to be fixed by the Board of Directors of the Second Demerged Company for the purpose of determining the shareholders of the Second Demerged Company to

whom shares of the Resulting Company shall be allotted pursuant to the Second Demerger under this Scheme;

“MGL Remaining Business” shall mean all the undertakings, businesses, activities, operations, assets and liabilities (including investments in shares and securities and identified assets and bank balances) of the Second Demerged Company, other than those comprised in the MGL Retail Undertaking;

“MGL Retail Undertaking” shall mean the Second Demerged Company’s undertakings, business, activities and operations pertaining to the MGL Retail Business, on a going concern basis, and shall mean and include, without limitation:

- (a) all assets and properties of the MGL Retail Business wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, including all buildings, warehouses, stores, factory outlets, stores under progress, equipment, structures, offices, all lands (whether leasehold or freehold), benefits of any rental agreements for use of premises, marketing offices, capital works in progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), stock-in-trade, stock-in-transit, merchandise (including raw materials), finished goods, supplies (including wrapping supplies), packaging items, all whether in transit or located at stores (including factory outlets) and warehouses, computers, vehicles, furniture, fixtures, office equipment, appliances, accessories, power lines, share of any joint assets, any finished goods and any facilities, cash, cash equivalents and bank accounts (including bank balances), benefit of any deposits, financial assets, insurances, funds, provisions, and benefit of any bank guarantees, performance guarantees and letters of credit appertaining or relatable to the MGL Retail Business;
- (b) all permits, quotas, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions, approvals, consents, subsidies, tenancies in relation to the office and/or residential properties for the employees, benefit of any deposits, privileges, all other rights including sales tax deferrals and exemptions and other benefits, lease rights, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and all other interests in connection with or relating to the MGL Retail Business;

- (c) all lease agreements, leave and license agreements, and all contracts and arrangements in any form, including those pertaining to franchises, brand license, vendors, stores maintenance, housekeeping, security, contract workers, and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the MGL Retail Business;
- (d) all earnest moneys and/or security deposits paid by the Second Demerged Company in connection with or relating to the MGL Retail Business;
- (e) all the MGL Employees;
- (f) all records, files, papers, engineering and process information, any computer programs, licenses for software, and any other software licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the MGL Retail Business;
- (g) all goodwill of the Second Demerged Company associated with the MGL Retail Business;
- (h) advantages of whatsoever nature and wheresoever situate 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 Second Demerged Company in relation to the MGL Retail Business, including all intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), used in relation to the MGL Retail Business, and all other trade names, service names, trade marks, brands, copyrights, designs, know-how and trade secrets connected with the MGL Retail Business; and
- (i) all debts, borrowings, obligations and liabilities, both present and future, (including contingent liabilities and the Demerged Liabilities pertaining to the MGL Retail Undertaking and obligations under any licenses or permits or schemes), whether secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheet of the Second Demerged Company, appertaining or relating to the MGL Retail Business;

“NSE” shall mean National Stock Exchange of India Limited;

“PFRL ESOS” shall mean the employee stock option scheme of PFRL named as “Scheme 2013” as approved by the Board of



Directors and shareholders of PFRL and the stock appreciation rights plan of PFRL named as "SARs 2013";

"Record Date" shall mean the ABNL Record Date and the MGL Record Date, collectively;

"Remaining Businesses" shall mean the ABNL Remaining Business and the MGL Remaining Business, collectively;

"Resulting Company" shall have the meaning set forth in Clause 1.3 above;

"Resulting Company Depository" shall have the meaning set forth in Clause 26(i);

"Resulting Company Deposit Agreement" shall have the meaning set forth in Clause 26(i);

"Resulting Company GDRs" shall have the meaning set forth in Clause 26(i);

"RSUs" shall mean restricted stock units;

"Scheme" shall mean this composite scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof;

"SEBI Scheme Circulars" shall have the meaning set forth in Clause 38;

"Second Demerger" shall have the meaning set forth in Clause 1.5(ii);

"Second Demerged Company" shall have the meaning set forth in Clause 1.2;

"Share Entitlement Ratios" shall mean the Madura Entitlement Ratio, the MGL Equity Share Entitlement Ratio, and the MGL Preference Share Entitlement Ratio, collectively;

"Securities Act" shall have the meaning set forth in Clause 24; and

"Stock Exchanges" means the BSE and the NSE, collectively.

- 2.2. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable Law, rules, regulations, bye-laws, as the case may be, and any statutory modification or re-enactment thereof for the time being in force.

- 2.3. References to “Clauses”, “Sections” and “Parts”, unless otherwise stated, are references to schedules, clauses, sections and parts of this Scheme.
- 2.4. The headings herein shall not affect the construction of this Scheme.
- 2.5. The singular shall include the plural and vice versa.
- 2.6. Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed without limitation.
- 2.7. References to a person shall include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

3. Share Capital

3.1. First Demerged Company

- (i) The share capital structure of the First Demerged Company as on May 2, 2015 is as follows:

Authorized Share Capital		Rupees
175,000,000 equity shares of INR 10 each		1,750,000,000
500,000, 6% redeemable cumulative preference shares of INR 100 each		50,000,000
Total		1,800,000,000
Issued Share Capital		
130,279,180 equity shares of INR 10 each *		1,302,791,800
Total		1,302,791,800
Subscribed and Paid-up Share Capital		Rupees
130,140,476 equity shares of INR 10 each *		1,301,404,760
Total		1,301,404,760

*includes 31,68,459 equity shares represented by GDRs

- (ii) The equity shares of the First Demerged Company are listed on the Stock Exchanges. The GDRs of the First Demerged Company are listed on the Luxembourg Stock Exchange.
- (iii) The First Demerged Company has outstanding employee stock options and RSUs, the exercise of which may result in an increase in the issued and paid-up share capital of the First Demerged Company.

3.2. Second Demerged Company

- (i) The share capital structure of the Second Demerged Company as on May 2, 2015 is as follows:

Authorized Share Capital	Rupees
270,000,000 equity shares of INR 10 each	2,700,000,000
10,000,000, 8% redeemable cumulative preference shares of INR 10 each	100,000,000
Total	2,800,000,000
Issued, Subscribed and Paid-up Share Capital	Rupees
190,065,361 equity shares of INR 10 each	1,900,653,610
10,000,000 8% redeemable cumulative preference shares of INR 10 each	100,000,000
Total	2,000,653,610

- (ii) The equity shares of the Second Demerged Company are not listed.

3.3. Resulting Company

- (i) The share capital structure of the Resulting Company as on May 2, 2015 is as follows:

Authorized Share Capital	Rupees
150,000,000 equity shares of INR 10 each	1,500,000,000
10,000,000 8% redeemable cumulative preference shares of INR 10 each	100,000,000
15,000 6% redeemable cumulative preference shares of INR 100 each	1,500,000
Total	1,601,500,000

Issued, Subscribed and Paid-up Share Capital	Rupees
92,793,529 equity shares of INR 10 each	927,935,290
500,000, 8% redeemable cumulative preference shares of INR 10 each	5,000,000
500, 6% redeemable cumulative preference shares of INR 100 each	50,000
Total	932,985,290

- (ii) The equity shares of the Resulting Company are listed on the Stock Exchanges.
- (iii) The Resulting Company has outstanding employee stock options and RSUs, the exercise of which may result in an increase in the issued and paid-up share capital of the Resulting Company.

PART II –DEMERGERS

SECTION 1 - TRANSFER AND VESTING OF THE DEMERGED UNDERTAKINGS

4. Transfer of Assets

- 4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, each of the Demerged Undertakings (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of each such Demerged Undertakings) shall, subject to the provisions of this Clause 4 in relation to the mode of transfer and vesting and pursuant to Section 394(2) of the Act and without any further act or deed, be demerged from each of the Demerged Companies and be transferred to and vested in and be deemed to have been demerged from the Demerged Companies and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 4.2. In respect of such of the assets of each of the Demerged Undertakings as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by each of the Demerged Companies, respectively, upon the coming into effect of the Scheme, and shall



become the property of the Resulting Company as an integral part of each of the Demerged Undertakings with effect from the Appointed Date pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

- 4.3. In respect of movables other than those dealt with in Clause 4.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority, quasi governmental authority, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company).
- 4.4. In respect of such of the assets belonging to each of the Demerged Undertakings other than those referred to in Clause 4.2 and 4.3 above, the same shall, as more particularly provided in Clause 4.1 above, without any further act, instrument or deed, be demerged from each of the Demerged Companies and transferred to and vested in and/or be deemed to be demerged from the respective Demerged Companies and transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391- 394 of the Act.
- 4.5. All assets, rights, title, interest and investments of each of the Demerged Companies in relation to the respective Demerged Undertakings shall also, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391- 394 of the Act.
- 4.6. Without prejudice to the generality of the foregoing, upon the effectiveness of the Scheme, the Resulting Company will be entitled to all the brands and trademarks of the Demerged Companies in relation to the Demerged Undertakings, including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature. The Resulting Company may take such actions as may be necessary and permissible to get



the same transferred and/or registered in the name of the Resulting Company.

4.7. Any assets acquired by any of the Demerged Companies after the Appointed Date but prior to the Effective Date pertaining to the Demerged Undertakings shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme.

4.8. For the avoidance of doubt, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Demerged Companies in any leasehold/licensed properties in relation to each of the Demerged Undertakings shall, pursuant to Section 394 (2) of the Act, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company automatically without requirement of any further act or deed.

5. Transfer of contracts, deeds, etc.

5.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme including Clause 6, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to each of the Demerged Undertakings, to which the respective Demerged Company is a party or to the benefit of which the respective Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the respective Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

5.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertakings occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the 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 each of the Demerged Companies 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 writings on behalf of the respective Demerged Companies and to carry out or perform all such formalities or compliances referred to above on the part of the respective Demerged Companies to be carried out or performed.

5.3. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of each of the Demerged Companies in relation to the respective Demerged Undertakings shall stand transferred to 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. The Resulting Company shall make applications to any Governmental Authority as may be necessary in this behalf.

5.4. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to each of the Demerged Undertakings which the respective Demerged Companies own or to which the Demerged Companies are a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Companies shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.



6. **Transfer of Liabilities**

6.1. Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of each of the Demerged Undertakings) of the respective Demerged Companies as on the Appointed Date and relating to the respective Demerged Undertakings ("**Demerged Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall become the debts, liabilities, loans, obligations and duties of the Resulting Company which shall meet, discharge and satisfy the same. The term "**Demerged Liabilities**" shall include:

- (i) the liabilities which arise out of the activities or operations of the Demerged Undertakings;
- (ii) the specific loans or borrowings (including debentures raised, incurred and utilized solely for the activities or operations of the Demerged Undertakings); and
- (iii) in cases other than those referred to in Clause 6.1(i) or Clause 6.1(ii) above, so much of the amounts of general or

multipurpose borrowings, if any, of the Demerged Companies, as stand in the same proportion which the value of the assets transferred pursuant to the respective Demergers bears to the total value of the assets of the respective Demerged Companies immediately prior to the Effective Date.

- 6.2. Where any of the loans raised and used, debts, liabilities, duties and obligations of each of the Demerged Companies as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the respective Demerged Companies on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 6.3. Upon the coming into effect of the Scheme, all loans raised and used (including the loans availed in terms of the Technology Upgradation Fund Scheme notified by Ministry of Textiles, Government of India, if any) and all debts, liabilities, duties and obligations incurred by the Demerged Companies for the operations of the Demerged Undertakings with effect from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.
- 6.4. In so far as the existing Encumbrances in respect of the Demerged Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the respective Demerged Undertaking which have been Encumbered in respect of the Demerged Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertakings which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. 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.
- 6.5. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Businesses are concerned, subject to Clause 6.4, the Encumbrances over such assets relating to the Demerged Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrances relating to the same. 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. Further, in so far as the assets comprised in the respective Demerged Undertakings are concerned, the Encumbrances over such assets relating to any loans, borrowings or debentures or other debts or debt securities which are not transferred pursuant to this Scheme (and which shall continue with the respective Demerged Company), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such liabilities.

- 6.6. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Demerged Companies and the Resulting Company shall execute any instrument(s) and/or document(s) and/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 respective registrar of companies to give formal effect to the above provisions, if required.
- 6.7. Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Demerged Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Companies shall not have any obligations in respect of such Demerged Liabilities.
- 6.8. It is expressly provided that, save as mentioned in this Clause 6, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 6.9. The provisions of this Clause 6 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

7. Legal, taxation and other proceedings

- 7.1. Upon the coming into effect of this Scheme, 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 Companies and relating to the Demerged Undertakings, under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Resulting Company after the Effective Date. The Demerged Companies shall in no event be responsible or liable in relation to any such legal or other proceedings against the Resulting Company. The Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the respective Demerged Companies.

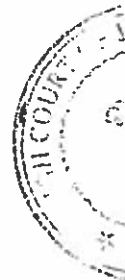
7.2. If proceedings are taken against any of the Demerged Companies in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify such Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

7.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Companies referred to in Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Companies. Each of the Companies shall make relevant applications in that behalf.

8. Employees

8.1. Upon the coming into effect of this Scheme, the ABNL Employees and the MGL Employees (the "**Transferred Employees**") shall become the permanent employees of the Resulting Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are employed by each of the Demerged Companies in the respective Demerged Undertaking and without any interruption of, or break in, service as a result of the transfer of the Demerged Undertakings. The Resulting Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the Transferred Employees with the respective Demerged Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

8.2. In so far as the existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the respective Demerged Companies *inter alia* for its employees (including employees of the Demerged Undertakings) are concerned (collectively referred to as the "**Employee Benefit Funds**"), such proportion of the investments made in the Employee Benefit Funds and liabilities which are referable to the Transferred Employees shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Employee Benefit Funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the respective Demerged Undertakings or be transferred to and merged with other similar funds of the Resulting Company. In the event that the Resulting Company does not have its own fund in respect of any of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the Transferred Employees to the respective Employee Benefit Funds or



discharge such liabilities of the respective Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Employee Benefit Funds, investments, contributions and liabilities pertaining to the Transferred Employees shall be transferred to the funds created by the Resulting Company.

8.3. In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the respective Demerged Companies, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.

8.4. In so far as the existing benefits or funds created by the respective Demerged Companies for the employees of the Remaining Businesses are concerned, the same shall continue and the respective Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and such benefits or funds, if any, shall be held *inter alia* for the benefit of the employees of the Remaining Businesses and the Resulting Company shall have no liability in respect thereof.

8.5. Employee Stock Options and RSUs:

- (i) In respect of the stock options and RSUs granted under the ABNL ESOS, if any, in the hands of the ABNL Employees and MGL Employees as on the Effective Date, upon the coming into effect of this Scheme, such options and RSUs granted (whether or not vested), under and pursuant to the ABNL ESOS to such employees as of the Effective Date would continue on the existing terms and conditions, except for such modifications to the ABNL ESOS as may be required to give effect to this Clause 8.5.
- (ii) Prior to the Scheme becoming effective, the ABNL ESOS shall be amended to provide for the continuation of options and RSUs under the ABNL ESOS in the hands of ABNL Employees and MGL Employees in accordance with this Clause 8.5 subject to such adjustments as may be deemed appropriate by the relevant committee of the Board of Directors of ABNL, in accordance with the provisions of the ABNL ESOS and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (iii) For the avoidance of doubt it is hereby clarified that upon the coming into effect of this Scheme, the options granted, under and pursuant to the ABNL ESOS to the employees of the ABNL Remaining Business as of the Effective Date would continue and the exercise price of such options may be



suitably adjusted in order to provide for reduction in the intrinsic value of the First Demerged Company pursuant to the demerger of the Madura Undertaking.

- (iv) The continuation of the grant of stock options and RSUs under the ABNL ESOS in the hands of ABNL Employees and MGL Employees pursuant to the provisions of this Scheme, including this Clause 8.5, shall be effected as an integral part of the Scheme and the consent of the shareholders of the First Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the ABNL ESOS, including without limitation, for the purposes of modifying the ABNL ESOS, making adjustments to the options and RSUs, including but not limited to the exercise period and price, vesting schedule and period and all related matters. No further approval of the shareholders of the First Demerged Company or the Resulting Company would be required in this connection under any applicable Law.
- (v) It is hereby clarified that the Resulting Company shall not be obligated to create any stock option or RSU scheme for the ABNL Employees, the MGL Employees or the employees of the Remaining Businesses in connection with this Scheme.
- (vi) The Boards of Directors of the Resulting Company and the First Demerged Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 8.5.

8.6. Resulting Company stock options, RSUs and stock appreciation rights:

- (i) In respect of the stock options, RSUs and/or stock appreciation rights granted under the PFRL ESOS to PFRL Employees as of the Effective Date, upon the coming into effect of this Scheme, such options, RSUs granted and/or stock appreciation rights (whether or not vested), would continue on the existing terms and conditions, except for such modifications to the PFRL ESOS as may be required or subject to such adjustments as may be deemed appropriate by the relevant committee of the Board of Directors of PFRL, in accordance with the provisions of the PFRL ESOS and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (ii) The Board of Directors of the Resulting Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 8.6.

SECTION 2 – CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

9. The Demerged Companies, with effect from the Appointed Date and up to and including the Effective Date:
- (i) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertakings and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertakings for and on account of, and in trust for, the Resulting Company;
 - (ii) all profits and income accruing to the Demerged Companies from the respective Demerged Undertakings, and losses and expenditure incurred by it (including taxes but excluding advance taxes, if any, accruing or paid in relation to any profits or income), relating to the Demerged Undertakings for the period from the Appointed Date based on the accounts of the respective Demerged Companies shall, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Resulting Company, except those specifically forming part of the ABNL Remaining Business; and
 - (iii) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertakings exercised by the respective Demerged Companies shall be deemed to have been exercised by the Demerged Companies 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 attached, related or pertaining to the respective Demerged Undertaking that have been undertaken or discharged by the Demerged Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.
10. The Demerged Companies undertake that they shall preserve and carry on the business of the Demerged Undertakings with business prudence.
11. From the date of filing of this Scheme with the High Court and upto and including the Effective Date, the Demerged Companies and Resulting Company shall not, except as may be expressly required or permitted under this Scheme or pursuant to exercise of stock options and RSUs granted as of the date of filing of this Scheme with the High Court, make any change in their respective capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, sub-division,

consolidation, re-organization, or in any other manner which may, in any way, affect the respective Share Entitlement Ratios, except with the prior approval of the Board of Directors of the Resulting Company or the relevant Demerged Companies respectively.

12. The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertakings and the continuance of the proceedings by or against the Resulting Company under this Scheme shall not affect any transaction or proceedings already completed by the respective Demerged Companies on or before the Appointed Date to the end and intent that, subject to the provisions of this Section 2, the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Companies as acts, deeds and things done and executed by and on behalf of the Resulting Company.

SECTION 3 – REMAINING BUSINESSES

13. The Remaining Businesses and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the respective Demerged Companies subject to the provisions of this Scheme in relation to Encumbrances in favour of banks, lenders and/or financial institutions.
14. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the respective Demerged Companies 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 Businesses (including those relating to any property, right, power, liability, obligation or duties of the respective Demerged Companies in respect of the Remaining Businesses) shall be continued and enforced by or against the respective Demerged Companies after the Effective Date, which shall keep the Resulting Company fully indemnified in that behalf.
15. If proceedings are taken against the Resulting Company in respect of the matters referred to in Clause 14 above, it shall defend the same in accordance with the advice of the relevant Demerged Company and at the cost of such Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.
16. Up to and including the Effective Date:
 - (i) the Demerged Companies shall carry on and shall be deemed to have been carrying on all business and activities relating to the respective Remaining Businesses for and on its own behalf;



- (ii) all profits accruing to the Demerged Companies or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Businesses shall, for all purposes, be treated as the profits or losses, as the case may be, of the respective Demerged Companies; and
- (iii) all assets and properties acquired by the Demerged Companies in relation to the respective Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Companies.

SECTION 4 – REORGANISATION OF CAPITAL

- 17. The provisions of this Section 4 shall operate notwithstanding anything to the contrary in this Scheme.
- 18. In consideration of the transfer and vesting of the Demerged Undertakings in the Resulting Company in accordance with the provisions of this Scheme and as an integral part of this Scheme, the share capital of the Demerged Companies and the Resulting Company shall be restructured and reorganised in the manner set out in Clause 19 to Clause 29 below. It is clarified that the consent of the shareholders of the Resulting Company to the Scheme shall be deemed to be sufficient for the issuance of shares by the Resulting Company and no further resolutions under Section 62 or any other applicable provisions of the Act would be required to be separately passed.
- 19. Share Entitlement Ratios:

- (i) In consideration of the First Demerger, including the transfer and vesting of the Madura Undertaking in the Resulting Company pursuant to Section 1 of Part II of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each member of the First Demerged Company whose name is recorded in the register of members as a shareholder of the First Demerged Company on the ABNL Record Date, equity shares in the Resulting Company in the ratio of 26 (twenty six) equity shares in the Resulting Company of face value INR 10 (Rupees Ten Only) each credited as fully paid-up for every 5 (five) equity shares of face value INR 10 (Rupees Ten Only) each fully paid up held by such member in the First Demerged Company (the “**Madura Entitlement Ratio**”) as on the ABNL Record Date.
- (ii) In consideration of the Second Demerger, including the transfer and vesting of the MGL Retail Undertaking in the Resulting Company pursuant to Section 1 of Part II of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each member of the Second Demerged Company whose name is recorded in the register

of members as shareholder of the Second Demerged Company on the MGL Record Date equity shares in the Resulting Company in the ratio of:

- (a) 7 (seven) equity shares of face value INR 10 (Rupees Ten Only) each in the Resulting Company credited as fully paid-up for every 500 (five hundred) equity share of face value INR 10 (Rupees Ten Only) each fully paid up held by an equity shareholder in the Second Demerged Company as on the MGL Record Date (the **"MGL Equity Share Entitlement Ratio"**); and
 - (b) 1 (one) equity shares of face value INR 10 (Rupees Ten Only) each in the Resulting Company credited as fully paid up for all 10,000,000 (ten million) preference shares of face value INR 10 (Rupees Ten Only) each fully paid up held by a preference shareholder in the Second Demerged Company as on the MGL Record Date (the **"MGL Preference Share Entitlement Ratio"**).
- (iii) If any shareholder of the Demerged Companies becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Resulting Company in accordance with Clause 19 (i) and (ii) of this Scheme, the Board of Directors of the Resulting Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Resulting Company (the **"Fractional Share Trustee"**), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Fractional Share Trustee may in its sole discretion decide and on such sale pay to the Resulting Company, the net sale proceeds thereof (after deduction of applicable taxes and other expenses incurred, if any) and any additions and accretions, whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Companies in proportion to their respective fractional entitlements.

20. The shares issued to the members of the Demerged Companies pursuant to Clause 19 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Companies to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company. In the event that such notice

has not been received by the Resulting Company in respect of any of the members of the Demerged Companies, the shares shall be issued to such members in dematerialized form provided that the members of the Demerged Companies shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the Resulting Company shall issue and directly credit the dematerialized securities to the account of such member with the shares of the Resulting Company. In the event that the Resulting Company has received notice from any member that shares are to be issued in certificate form or if any member has not provided the requisite details relating to the account with a depository participant or other confirmations as may be required, then the Resulting Company shall issue shares in certificate form to such member.

21. Equity shares to be issued by the Resulting Company pursuant to Clause 19 in respect of such of the equity shares of the Demerged Companies which are held in abeyance under the provisions of Section 126 of the Act (2013) or which the Resulting Company is unable to issue due to applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be kept in abeyance by the Resulting Company.



22. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Companies, the Board of Directors of the relevant Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the relevant Record Date, to effectuate such a transfer in the relevant Demerged Company as if such changes in registered holder were operative as on the respective Record Date, in order to remove any difficulties arising to the transferor of the share in the Resulting Company and in relation to the shares issued by the Resulting Company after the effectiveness of this Scheme. The Board of Directors of the Demerged Companies 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 difficulties faced in the transaction period.
23. The equity shares to be issued and allotted by the Resulting Company in terms of Clause 19 above shall inter-se rank *pari passu* in all respects.
24. The equity shares of the Resulting Company issued pursuant to this Scheme may not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and the Resulting Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Resulting Company may elect to rely upon. In the event the Resulting Company elects to rely upon an exemption from the registration

requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the equity shares of the Resulting Company for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

25. (i) Equity shares of the Resulting Company issued in terms of Clause 19 above shall, subject to receipt of necessary approvals, be listed and admitted to trading on the Stock Exchanges. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable Laws or regulations for complying with the formalities of the Stock Exchanges. The shares allotted pursuant to Part II of this Scheme shall remain frozen in the depositories system until listing/trading permission is given by the designated stock exchange.
- (ii) Until the listing of the equity shares of the Resulting Company with the Stock Exchanges, except as provided in this Scheme, there shall be no change in the shareholding pattern or control or pre-arrangement capital structure of the Resulting Company.
26. (i) Upon the coming into effect of this Scheme and the issuance of shares as per the Madura Entitlement Ratio by the Resulting Company pursuant to the provisions of Clause 19 above, it may elect to either proceed in accordance with this Clause 26 or proceed in accordance with Clause 29 below at its sole discretion. If the Resulting Company so elects and subject to applicable Laws, it shall issue an appropriate number of underlying shares, in accordance with the Madura Entitlement Ratio, to the Depository. The Resulting Company may enter into appropriate arrangements for the appointment of a depository (the "**Resulting Company Depository**") pursuant to a deposit agreement entered into between the Resulting Company and the Resulting Company Depository (the "**Resulting Company Deposit Agreement**"), for the issuance of GDRs representing such shares (the "**Resulting Company GDRs**") on pro-rata basis to holders of the ABNL GDRs, in accordance with the deposit agreement entered into between the First Demerged Company and the Depository (the "**Deposit Agreement**").
- (ii) The Resulting Company, Resulting Company Depository, the First Demerged Company and/or the Depository shall enter into such further documents and take such further actions as may be deemed necessary or appropriate by the Resulting Company and/or the First Demerged Company, Resulting Company Depository, and the Depository, including, but not



limited to, amending the Deposit Agreement, disseminating to existing ABNL GDR holders certain notices, certifications and information containing details of the Scheme, the issuance of the Resulting Company GDRs and/or certain information relating to the Resulting Company and obtaining from the existing ABNL GDR holders, and providing to the Resulting Company, certain information relating to the existing ABNL GDR holders.

27. The Resulting Company GDRs issued pursuant to Clause 26 above shall not be listed unless required by any regulations or Laws, in which event the same may be listed on the Luxemburg Stock Exchange or such other international stock exchange as may be determined by the Resulting Company and the Resulting Company shall take such additional steps and do all such acts, deeds and things as may be necessary for purposes of listing the Resulting Company GDRs.
28. The Resulting Company GDRs and the equity shares underlying the Resulting Company GDRs may not be registered under the Securities Act and the Resulting Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under section 3(a)(10) thereof or any other exemption that the Resulting Company may elect to rely upon. In the event the Resulting Company elects to rely upon an exemption from the registration requirements of the Securities Act under section 3(a)(10) thereof, the sanction of the High Court to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the Resulting Company GDRs and the equity shares of the Resulting Company, including, without limitation, the equity shares underlying the Resulting Company GDRs, for such an exemption from the registration requirements of the Securities Act under section 3(a)(10) thereof.
29. Notwithstanding anything contained herein, if the Resulting Company determines that it is unable to issue the Resulting Company GDRs due to applicable Laws (including the non-receipt of Governmental Approvals required, if any), it may elect, in its sole discretion and subject to receipt of such Governmental Approvals as may be required, to enter into suitable arrangements which may include arrangements with the Depository for providing for issuance of equity shares by the Resulting Company to the Depository, which represent the entitlement of the ABNL GDR holders, and sale of such equity shares by the Depository to make distributions of the net sales proceeds (after the deduction of taxes and expenses incurred) to the existing ABNL GDR holders, in proportion to their entitlements, in lieu of issuing the Resulting Company GDRs. If the above cannot be effected for any reason, the Resulting Company and the First Demerged Company shall ensure that this does not delay implementation of the Scheme, and shall, in consultation with each other, take all such actions as may be necessary to, issue or

remit consideration in lieu of or in respect of the ABNL GDR holders' entitlement in a compliant manner, without delay to the effectiveness or implementation of the Scheme. The Resulting Company, the First Demerged Company and/or the Depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this behalf and to enable the actions contemplated herein.

SECTION 5 - ACCOUNTING TREATMENT

30. Accounting treatment in the books of the Demerged Companies

On effectiveness of the Scheme and with effect from the Appointed Date:

- (a) Book value of all assets and liabilities relating to the Madura Undertaking transferred pursuant to this Scheme from the First Demerged Company to the Resulting Company shall be reduced from the total book value of assets and liabilities as appearing in the books of the First Demerged Company at the close of business of the day immediately preceding the Appointed Date;
- (b) Book value of all assets and liabilities relating to the MGL Retail Undertaking transferred pursuant to this Scheme from the Second Demerged Company to the Resulting Company shall be reduced from the total book value of assets and liabilities as appearing in the books of the Second Demerged Company at the close of business of the day immediately preceding the Appointed Date; and
- (c) The excess of book value of assets over book value of liabilities of the Demerged Undertakings, if any, shall be adjusted against the balance in the capital reserve/ general reserve/balance in the statement of profit and loss or the securities premium account of the relevant Demerged Company. In case of a shortfall of book value of assets over book value of liabilities, if any, shall be credited to capital reserve account of the relevant Demerged Company.

31. Accounting treatment in the books of the Resulting Company

On effectiveness of the Scheme and with effect from the Appointed Date:

- (a) the Resulting Company shall record the assets and liabilities of the Madura Undertaking of the First Demerged Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the First Demerged Company, at the close of business of the day immediately preceding the Appointed Date;



- (b) the Resulting Company shall record the assets and liabilities of the MGL Retail Undertaking of the Second Demerged Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Second Demerged Company, at the close of business of the day immediately preceding the Appointed Date;
- (c) the Resulting Company shall issue shares to the shareholders of the Demerged Companies as per Clause 19 of this Scheme. These shares shall be issued and recorded at face value and accordingly the aggregate face value of the shares to be issued shall be credited to the Resulting Company's share capital account; and
- (d) the difference, if any, between the value of assets and value of liabilities pertaining to the Demerged Undertakings, after adjusting the amount credited as share capital as per Clause 31(c), shall be treated as goodwill, in case of a debit balance and capital reserve in case of a credit balance.

PART III – AUTHORISED SHARE CAPITAL AND NAME OF THE RESULTING COMPANY

32. Authorized share capital of the Resulting Company

- 32.1. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorised share capital of the Resulting Company shall automatically stand increased, without any further act, instrument or deed on the part of the Resulting Company, such that upon the effectiveness of the Scheme the authorised share capital of the Resulting Company shall be Rs. 1,010,15,00,000 (Rupees One Thousand Ten Crore Fifteen Lakhs only), without any further act or deed. The capital clause of the Memorandum of Association of the Resulting Company shall, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION

"The Authorised Share Capital of the Company is Rs. 1,010,15,00,000 (Rupees One Thousand Ten Crore Fifteen Lakhs only) divided into 100,00,00,000 (one hundred crores) Equity Shares of Rs. 10/- each amounting to Rs. 1,000,00,00,000 (Rupees One Thousand Crores Only), 8% 1,00,00,000 (One Crore) Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten Only) each amounting to Rs. 10,00,00,000/- (Rupees Ten Crore only) and 15,000 (Fifteen Thousand) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees Hundred only) each amounting to Rs. 15,00,000/- (Rupees Fifteen Lakhs) and with a power to increase or reduce the capital of the Company in accordance with the provisions

of the Companies Act, 1956 and to classify or reclassify the Share Capital.”

- 32.2. It is hereby clarified that for the purposes of Clause 32, the consent of the shareholders of the Resulting Company to the Scheme shall be deemed to be sufficient for amendment of the Memorandum of Association of the Resulting Company and no further resolutions under the applicable provisions of the Act would be required to be separately passed.
- 32.3. Pursuant to this Scheme, the Resulting Company shall file the requisite forms with the registrar of companies for alteration of its authorised share capital.

33. Change in Name of the Resulting Company

- 33.1. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the name of the Resulting Company shall stand changed to “Aditya Birla Fashion and Retail Limited” or such other name as may be decided by its Board of Directors or a committee thereof and approved by the concerned registrar of companies. Further, the present name of “Pantaloons Fashion & Retail Limited” wherever it occurs in its Memorandum and Articles of Association be substituted by such name.
- 33.2. It is hereby clarified that for the purposes of Clause 33, the consent of the shareholders of the Resulting Company to the Scheme shall be deemed to be sufficient for change of name of the Resulting Company and no further resolutions under the applicable provisions of the Act would be required to be separately passed.
- 33.3. Pursuant to this Scheme, the Resulting Company shall file the requisite forms with the registrar of companies for such change in name.



PART IV – GENERAL TERMS AND CONDITIONS

The provisions of this Part shall be applicable to Part II and Part III of this Scheme.

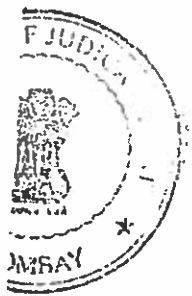
34. Applications

- (i) The Companies shall make necessary applications before the jurisdictional High Courts for the sanction of this Scheme under Sections 391-394 of the Act.
- (ii) The Resulting Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority, if required, under any Law for such consents and

approvals which the Resulting Company may require to carry on the business transferred to it pursuant to this Scheme.

35. Modifications to the Scheme

35.1. The Companies (by their respective Board of Directors), may jointly and as mutually agreed in writing:

- 
- (i) in their full and absolute discretion, assent to any alteration(s) or modification(s) to this Scheme which a High Court may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to any change in regulatory or compliance requirements being made applicable to the Companies or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
 - (ii) to give such directions (acting jointly) as may be mutually agreed in writing as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective companies), 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 Law);
 - (iii) in their full and absolute discretion and by mutual agreement in writing, modify, vary or withdraw this Scheme prior to the Effective Date in any manner at any time; and
 - (iv) to determine jointly by mutual agreement in writing whether any asset, liability, employee, legal or other proceedings pertains to the Madura Undertaking, MGL Retail Undertaking, or not, on the basis of any evidence that they may deem relevant for this purpose.

35.2. Any modification to the Scheme by the Demerged Companies and/or the Resulting Company, after receipt of sanction by the High Courts, shall be made only with the prior approval of the High Courts.

36. Scheme as an integral whole and Severability

- (i) The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme

constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of the Companies.

- (ii) 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.

37. Dividends

- (i) The Demerged Companies and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the period prior to the Effective Date. The shareholders of the Demerged Companies shall not be entitled to dividend, if any, declared and paid by the Resulting Company to its shareholders for the accounting period prior to the Appointed Date.
- (ii) 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 a Company to demand or claim any dividends from such Company which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of such Company, and subject to the approval, if required, of the shareholders of such Company.



38. Scheme conditional on

The coming into effect of this Scheme is conditional upon and subject to:

- (i) this Scheme being approved by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Companies as required under the Act and the requisite orders of the High Courts, or dispensation having been received from the High Courts in relation to obtaining such approval from the members and/or creditors;
- (ii) this Scheme being approved by the majority of the public shareholders of the First Demerged Company (by way of voting through postal ballot and e-voting) as required under the Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 on "Scheme of Arrangement under the Companies Act, 1956 – Revised requirements for the Stock Exchanges and Listed Companies" read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by the

Securities Exchange Board of India (collectively, “SEBI Scheme Circulars”), i.e. the votes cast by public shareholders in favour of the resolution are more than the number of votes cast by public shareholders against it;

- (iii) this Scheme being approved by the majority of the public shareholders of the Resulting Company (by way of voting through postal ballot and e-voting) as required under the SEBI Scheme Circulars, i.e. the votes cast by public shareholders of the Resulting Company in favour of the resolution are more than the number of votes cast by public shareholders against it;
- (iv) the High Courts having accorded their sanction to the Scheme;
- (v) the certified copies of the orders of the High Courts approving this Scheme being filed with the jurisdictional registrar of companies;
- (vi) post-sanction approval of the Securities and Exchange Board of India in terms of the SEBI Scheme Circulars being obtained, if applicable; and
- (vii) such approvals and sanctions including sanction of any Governmental Authority as may be required by Law in respect of the Scheme being obtained.

39. Long Stop Date

In the event of this Scheme does not come into effect by May 31, 2016 or by such later date as may be agreed by the respective Board of Directors of the Companies, this Scheme shall stand revoked, cancelled and be of no effect and become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred *inter se* by the parties or their shareholders or creditors or employees or any other person. In such case each party shall bear its own costs, charges and expenses or shall bear costs, charges and expenses as may be otherwise mutually agreed.

40. Reconstruction of accounts

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

41. Taxes

- 41.1. All taxes (including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Demerged Companies in respect of the operations and/or the profits of the respective

Demerged Undertakings before the Appointed Date, shall be on account of the Demerged Companies and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), including payment by way of deduction at source, by the Demerged Companies in respect of the profits or activities or operation of the respective Demerged Undertakings after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company (except as specifically provided in relation to the ABNL Remaining Business) and shall, in all proceedings, be dealt with accordingly.

- 41.2. The Resulting Company and Demerged Companies shall be entitled to file/revise their income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, credit of tax deducted at source, credit of foreign taxes paid/ withheld etc., if any (except as specifically provided in relation to the ABNL Remaining Business), as may be required consequent to implementation of this Scheme.

42. **Costs**

Subject to Clause 39 above:

- (a) each party shall bear its own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the later of the two High Courts; and
- (b) upon the sanction of this Scheme by the High Courts, all costs, charges and expenses (including, but not limited to, stamp duty, registration charges, etc) in relation to the Demergers shall be borne by the Resulting Company.

TRUE COPY

[Signature]

Cyril Amarchand Mangaldas
Advocates & Solicitors

TRUE COPY

[Signature] 21/12/15
(K. K. TRIVEDI)
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 812 OF
2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO.
642 OF 2015

In the matter of Petition under Sections 391 to
394, of the Companies Act, 1956 or any re-
enactment thereof;

And

In the matter of Composite Scheme of
Arrangement amongst Aditya Birla Nuvo
Limited (First Demerged Company), Madura
Garments Lifestyle Retail Company Limited
(Second Demerged Company), Pantaloons
Fashion & Retail Limited (Resulting
Company) and their respective Shareholders
and Creditors.

Pantaloons Fashion
& Retail Limited

... Petitioner Company



Authenticated copy of the Minutes of the Order dated
5th December, 2015 alongwith Sanctioned Scheme

DATED THIS __ DAY OF DECEMBER, 2015

Applied for authenticated copies on... 05/12/2015

Authenticated copies submitted on... 15/12/2015

Engrossed on... 18/12/2015

Examined by... *H.B. Pungachet* (H.B. Pungachet)

Compared with... *Mundkar* (M.W. Mondkar)

Ready on... 21/12/2015

Delivered on... 21/12/2015

M/s. Cyril Amarchand Mangaldas
Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013

Advocates for the Petitioner Company

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c/w
C.A.(CAA)/54/MB-I/2024**

*In the matter of
The Companies Act, 2013 (18 of 2013);*

AND

*In the matter of
Sections 232 r/w 230
and other applicable provisions of the
Companies Act, 2013 and Rules framed
thereunder as in force from time to time;*

AND

*In the matter of
Composite Scheme of Amalgamation*

TCNS Clothing Co. Limited

CIN L99999MH1997PLC417265

...Petitioner Company 1/

Transferor Company

Aditya Birla Fashion and Retail Limited

CIN L18101MH2007PLC233901

...Petitioner Company 2

Transferee Company

("Collectively referred as Applicant Companies")

Order delivered on 02.08.2024

Coram:

Shri Prabhat Kumar

Hon'ble Member (Technical)

Justice V.G. Bisht (Retd.)

Hon'ble Member (Judicial)





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Appearances (through)

For the Petitioner : Mr. Ahmed Chunawala,
Advocate

For the Regional Director : Mr. Bhagwati Prasad,
Assistant Director,
Western Region, office of
Regional Director,
Mumbai

ORDER

1. Heard the Learned Counsel for the Petitioner Companies as well as the representative of the Regional Director.
2. This Tribunal has received a letter dated 12.06.2024 by one of the unsecured creditors of Transferee Company i.e. M/s Devanand Singh & Son HUF stating that they have leased out a property to the Transferee Company for the purpose of operating a retail showroom or sale of branded garments and accessories under the brand name "VAN HEUSEN" and lease agreement dated 03.05.2017 and supplementary lease agreement dated 18.01.2020 (effective from 01.01.2017 and valid till 31.12.2025) was executed. However, the Transferee Company has stopped paying rent since January, 2021 and as on





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15.05.2024 sum of Rs.64,41,620/- is pending against Petitioner No.2. In view of the same, a case for eviction and rent recovery bearing No. HC Case No. 44 of 2023 before the Ld. Rent Controller cum SDM Dhanbad seeking recovery of sum of Rs.43,91,836.68 along with compensation and future interest against Applicant No.2 was filed and the same is pending for adjudication.

2.1. In respect of the same, the Petitioner Company No.2 has filed affidavit in reply dated 11.07.2024 wherein it is stated that the Petitioner Company had executed a registered lease deed dated 3rd May 2017 with the Objector. In terms of clause 9.1 of the lease deed, the Petitioner company was entitled to appoint franchisee to operate the business and in terms of clause 14.2, the Petitioner was entitled to terminate the lease agreement by issuance of 3 months' notice. The Petitioner timely discharged the monthly lease rentals of store in favour of Objector till time of termination of the lease agreement. In the month of January'2021, the Petitioner company decided not to continue the business operation from the premise and accordingly Termination Notice dated 4th January 2021 was issued to the Objector in terms of clause 14.2 of the lease deed dated 3rd May 2017 whereby the effective date of termination was mentioned as 7th April, 2021.





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2.2. It was also informed to the Objector that the rentals during the notice period would be adjusted from the interest free refundable security deposit. The franchisee agreement executed by and between the Petitioner and Pushpalata Kumari expired by efflux of time on 28th February, 2021. Though the franchisee agreement expired, the franchisee in breach of the agreement refused to complete the handover obligations and started making extortion demands. On 6th April 2021, letter was issued by Petitioner company to Objector intimating its surrender of leasehold rights. It also informed the illegal padlock on the premises by Pushpalata Kumari and called upon Objector to take appropriate action against the Pushpalata Kumari for handover of the premises. The Petitioner called upon the Objector to take appropriate action against the unauthorized occupants and also clarified that 8th April, 2021 onwards, the Petitioner would not be responsible for any rentals and/or other charges.

2.3. Thereafter, as per the terms of the franchise agreement, since the civil disputes is exclusively vested with the Civil Court at Bangalore, as such on or about 13th August, 2021, the Petitioner herein filed a commercial suit being No. Comm (OS) No. 522 of 2021 before Commercial Court at Bangalore against Pushpalata Kumari and also impleaded the Objector.





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2.4. We have considered the submission of the objector as well the representative of the Petitioner Companies. We note that the Transferee Company has total 7961 unsecured creditors for the value of Rs. 31,10,02,29,127/-. The objector has raised an objection stating that an amount of Rs.64,41,620/- is pending against the Transferee towards rental dues. Proviso to Section 230 (4) of the Companies Act, 2013 states that "*any objection to the compromise or arrangement shall be made only by persons holding not less than ten per cent of the shareholding or having outstanding debt amounting to not less than five per cent. of the total outstanding debt as per the latest audited financial statement.*" However, the Objector is having only 0.02% value of the total unsecured creditors of the Transferee Company. Therefore, the objector does not meet the criteria as provided u/s 230(4) of the Act. Further, a suit is also pending before the Ld. Rent Controller-cum-SDM, Dhanbad and Commercial Court at Bangalore. Therefore, this Bench is of the view that the dues of the objector can be settled subject to the outcome of matters pending before learned Ld. Rent Controller cum SDM Dhanbad and Commercial Court at Bangalore and no prejudice whatsoever is caused to objector if the present scheme is allowed as the claims shall be enforceable against the Transferee Company.





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3. The sanction of the Tribunal is sought under Sections 232 r/w Section 230 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under to the Scheme of Amalgamation among **TCNS Clothing Co. Limited** (Transferor Company), **Aditya Birla Fashion and Retail Limited** (Transferee Company) and their respective shareholders and creditors ("**Scheme**").
4. The Board of Directors of the Transferor Company and Transferee Company in their respective meetings conducted on 5th May, 2023 for the Transferor Company and the Transferee Company have approved the Scheme.
5. The Petition has been filed in consonance with the Order passed in the C.A (CAA) No. 54 of 2024 by this Tribunal and the Petitioner Companies have complied with all requirements as per directions of the National Company Law Tribunal, Mumbai Bench and they have filed necessary affidavits of compliance in the National Company Law Tribunal, Mumbai Bench.
6. The Petitioner Companies states that the Petitioner Company No. 1 is engaged *inter alia*, in the business of: (a) manufacturing, distribution and sale of women's apparel, jewelry, footwear and beauty products, in any manner and through any format, currently undertaken under brands "W", "Wishful", "Aurelia", "Elleven" and "Folksong"; and (b) wholesale cash and carry





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trading (including sale through franchisee outlets) of women's apparel, jewelry, footwear and beauty products, in any manner and through any format and that the Petitioner Company No. 2 is currently engaged in the business of manufacturing, marketing, sales and/or distribution of fashion apparel, footwear and accessories through offline and/or online channels including wholesale, retail and e-commerce under multiple owned and licenced brands.

7. The Amalgamation pursuant to this Scheme would, inter alia, have the following benefits:
 - 7.1.Strengthening of organizational capabilities around operational and financial areas, driving scale benefits through leveraging resources;
 - 7.2.Enabling coverage of complementary markets and consumer segments in line with focused strategy of building a comprehensive apparel portfolio; entering newer markets and driving penetration;
 - 7.3.Creating revenue synergies through sharing of consumer understanding, market insights, channel models to ensure faster go to market and achieve faster growth with fewer resources;





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- 7.4. Driving synergy benefits around back-end such as procurement, logistics, supply chain, technology operations and shared services; driving optimal utilization of resources and building centers of excellence for a larger company;
- 7.5. Enhancing organizational capabilities arising from pooling of talent and human capital with diverse skill sets and experience in areas such as design, sourcing and consumer insights, providing strength to operate strongly in a highly fragmented market;
- 7.6. Enabling more coordinated and comprehensive business management with clear focus on driving common goals around building best quality products, wide distribution, efficient operations, brand building; allowing for more efficient allocation of capital and resources for growth;
- 7.7. Driving channel efficiencies by providing opportunity to cross-sell products across markets;
- 7.8. Streamlining of legal, compliance and other statutory functions to allow a more coordinated approach towards governance for the businesses;
- 7.9. Post Scheme, Transferee Company to become a platform for building category-led business and be better placed to adequately finance the growth prospects of the business;





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7.10. Driving cost synergies and reducing overlaps between businesses

8. The Regional Director has filed his Report dated 11.07.2024 making certain observations and the Petitioner Companies have undertaken/made following submission that :

8.1. The Petitioner Companies shall comply with the provisions of section 232(3)(i) of the Companies Act, 2013 in respect of fees payable by the Petitioner Company No. 2 for increase of authorized share capital on account of amalgamation set out in the Scheme;

8.2. The Scheme enclosed to the Company Scheme Application (as amended by way of Company Application No. CA 121/2024 IN C.A.(CAA)/54(MB)2024 to update the share capital details of the Petitioner Companies) and the Company Scheme Petition is one and the same and that there is no discrepancy or changes is made;

8.3. The meeting of the Equity Shareholders was called for and that the Scheme was approved with requisite majority;

8.4. The Petitioner Company No. 2 submits that the Petitioner will comply with the requirements as to Appointed Date vide circular no. F. No.7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.





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- 8.5. The Petitioner Company No. 2 shall ensure compliance of the provisions of Income tax department and GST Departments and its rules, if any.
- 8.6. The Petitioner Company No. 2 submits that they will comply with the letter of BSE and NSE which is mentioned in their letter dated 14.03.2024 and 15.03.2024 respectively and also comply with SEBI (LODR) Regulations, 2015.
- 8.7. The Transferee Company will comply with Income Tax Provisions in relation to proceedings/claims under Income Tax Act against the Transferor Company.
9. Mr. Bhagwati Prasad from the Office of Regional Director (WR), Mumbai, appeared on the date of hearing and submitted that the above explanations and clarifications given by the Petitioner Companies in rejoinder are satisfactory and they have no further objection to the Scheme.
10. The Official Liquidator has filed his report dated June 26, 2024 inter-alia stating that the affairs of the Transferor Company have been conducted in proper manner.
11. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No.





**THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH**

**C.P.(CAA)/111/MB-I/2024
IN
C.A.(CAA)/54/MB-I/2024**

111 of 2024 is made absolute in terms of clauses 13 (a) to (c) of the said Company Scheme Petition.

12. The Petitioner Company No. 1 be dissolved without winding up.
13. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this scheme and in case it is found that the scheme ultimately results in tax avoidance under the provisions of Income Tax Act, it shall be open to the Income tax authorities to take necessary action as possible under the Income Tax Law.
14. The Petitioner Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC-28, within 30 days from the date of receipt of the certified copy of this order duly certified by the Designated Registrar of this Tribunal.
15. The Petitioner Companies to lodge a certified copy of this Order and the Scheme duly authenticated by the Designated Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the certified copy of this order.





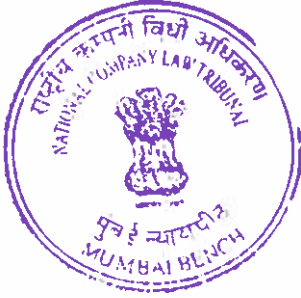
THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH

C.P.(CAA)/111/MB-I/2024
IN
C.A.(CAA)/54/MB-I/2024

16. All authorities concerned to act on a copy of this order along with the Scheme duly authenticated by the Registry of this Tribunal.
17. Ordered Accordingly. Pronounced in open court today.

Sd/-
Prabhat Kumar
Member (Technical)

Sd/-
Justice V. G. Bisht
Member (Judicial)



Certified True Copy _____
Date of Application 14/8/2024
Number of Pages 12
Fee Paid Rs. 80/-
Applicant called for collection copy on 16/8/2024
Copy prepared on 16/08/2024
Copy issued on 16/8/2024


Deputy Registrar

National Company Law Tribunal, Mumbai Bench

SCHEME OF AMALGAMATION

By way of Merger by Absorption

AMONG

TCNS CLOTHING CO. LIMITED

...

TRANSFEROR COMPANY

**ADITYA BIRLA FASHION AND RETAIL
LIMITED**

...

TRANSFeree COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

PART I

GENERAL

A. Preamble

This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) read with relevant rules made thereunder, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income Tax Act (*as defined hereinafter*), as may be applicable, between TCNS Clothing Co. Limited ("**Transferor Company**"), Aditya Birla Fashion and Retail Limited ("**Transferee Company**"), and their respective shareholders and creditors. This Scheme provides, amongst other matters, for the amalgamation by way of merger by absorption of the Transferor Company on a going concern basis into the Transferee Company and the consequent issuance of equity shares in consideration by the Transferee Company to the shareholders of the Transferor Company under Sections 230 to 232 and other applicable provisions of the Act and SEBI Scheme Circular.

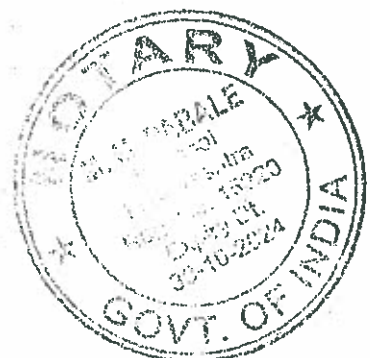


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- ### C. Description of the Scheme

- pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act.

- 
- राष्ट्रीय कंपनी विधि अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायापीठ
MUMBAI BENCH



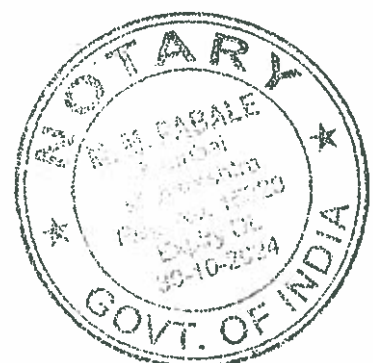
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5. If, at a later date, any of the terms or provisions of this Scheme is / are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income Tax Act, including resulting from any amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent determined to comply with the provisions of Section 2(1B) of the Income Tax Act.

D. Rationale for the Scheme

6. The Amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:
- (i) Strengthening of organizational capabilities around operational and financial areas, driving scale benefits through leveraging resources;
 - (ii) Enabling coverage of complementary markets and consumer segments in line with focused strategy of building a comprehensive apparel portfolio; entering newer markets and driving penetration;
 - (iii) Creating revenue synergies through sharing of consumer understanding, market insights, channel models to ensure faster go to market and achieve faster growth with fewer resources;
 - (iv) Driving synergy benefits around back-end such as procurement, logistics, supply chain, technology operations and shared services; driving optimal utilization of resources and building centers of excellence for a larger company;
 - (v) Enhancing organizational capabilities arising from pooling of talent and human capital with diverse skill sets and experience in areas such as design, sourcing and consumer insights, providing strength to operate strongly in a highly fragmented market;
 - (vi) Enabling more coordinated and comprehensive business management with clear focus on driving common goals around building best quality products, wide distribution, efficient operations, brand building; allowing for more efficient allocation of capital and resources for growth;
 - (vii) Driving channel efficiencies by providing opportunity to cross-sell products across markets;
 - (viii) Streamlining of legal, compliance and other statutory functions to allow a more coordinated approach towards governance for the businesses;
 - (ix) Post Scheme, Transferee Company to become a platform for building category-led business and be better placed to adequately finance the growth prospects of the business;
 - (x) Driving cost synergies and reducing overlaps between businesses.

E. Parts of the Scheme

7. This Scheme is divided into the following parts:
- (i) **Part I**, deals with the definitions used in this Scheme, and sets out the share capital of the Transferor Company and the Transferee Company;
 - (ii) **Part II**, deals with the Amalgamation of the Transferor Company into the Transferee Company;
 - (iii) **Part III**, deals with the consideration payable by the Transferee Company to the equity shareholders of the Transferor Company and cancellation of shares of the Transferor Company;
 - (iv) **Part IV**, deals with the changes to share capital of the Transferee Company and accounting treatment for the Amalgamation; and



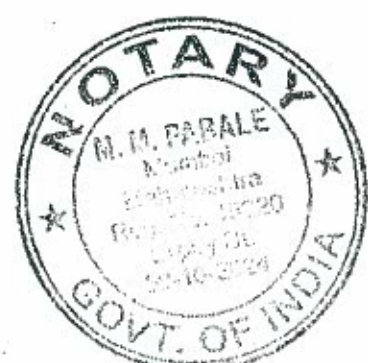
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- (v) **Part V**, deals with the dissolution of the Transferor Company, general terms and conditions applicable to the Scheme.

F. Definitions

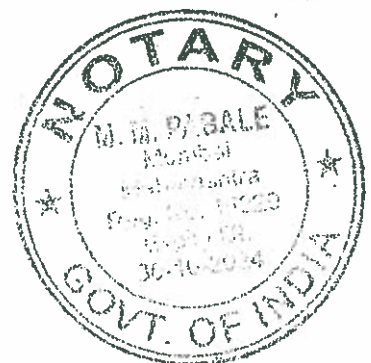
8. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- (A) **“Act”** means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory replacement or re-enactment thereof;
- (B) **“Amalgamation”** shall have the meaning ascribed to it in Clause 3(i) above;
- (C) **“Applicable Law”** includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, Consents, bye-laws, regulations, notifications, guidelines, ordinance, policies, directions, directives, circulars, notifications and orders promulgated by a Governmental Authority (or any sub-division thereof), statutory authority, tribunal, board, court or Stock Exchanges, which are in force and binding at the relevant time, and as may be applicable;
- (D) **“Appointed Date”** shall mean the Effective Date or such other date as may be approved by the Tribunal;
- (E) **“Board”** in relation to any company, means the board of directors of such company and shall, unless repugnant to the context thereof, include a committee of directors duly authorised by such board;
- (F) **“Clause”** means a clause of this Scheme;
- (G) **“Consent”** means any notice, consent, approval, permission, authorisation, waiver, permit, clearance, no objection, license, exemption, of, from or to any Person;
- (H) **“Contract”** means any agreement, contract, sub-contract, arrangement, instrument, understanding, commitment, purchase order, work order, warranty, insurance, lease, license, undertaking or commitment of any nature (whether or not the same is absolute, revocable, contingent, conditional, binding or otherwise (whether written or otherwise), including all amendments and modifications thereto), to which the Transferor Company is a party or by which any of the assets held by the Transferor Company are bound;
- (I) **“Effective Date”** means the date on which the certified copy of the Sanction Order is filed with the RoC in accordance with Clause 33. References in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“upon the Scheme becoming effective”** or **“the Scheme coming into effect”** shall mean the Effective Date;
- (J) **“Eligible Shareholder(s)”** means each Person (other than the Transferee Company) whose name appears: (i) in the register of members of the Transferor Company; and / or (ii) as the beneficial owner of the Transferor Company Shares in the record of the depositories, on the Record Date;
- (K) **“Encumbrance”** means any form of legal or equitable encumbrance or security interest including any mortgage, pledge, hypothecation, assignment by way of security, non-disposal undertaking, escrow, charge, lien or other security interest or encumbrance of any kind securing any obligation of any Person (including, without limitation, any right



granted by a transaction or other type of preferential arrangement or interest of any nature whatsoever which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law), outstanding Taxes (which have become due and payable), option, pre-emptive right, proxy, power of attorney, voting agreement, right of first offer, first, last or other refusal right, or transfer restriction in favour of any Person, beneficial ownership, adverse claim, title retention agreement, conditional sale agreement, any provisional, conditional or executorial attachment, trust (other title exception of whatsoever nature), any agreement to create any of the foregoing or any adverse claim as to title, possession or use and the term **"Encumber"** shall be construed accordingly;

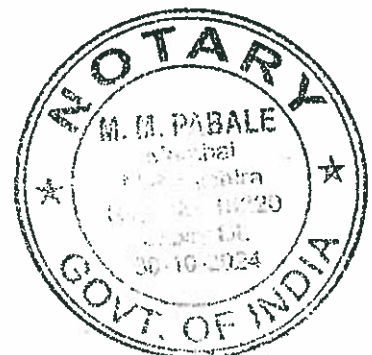
- (L) **"ESOP"** means employee stock options;
- (M) **"Expanded Share Capital"** means the total equity share capital of a company on a fully diluted basis (which in relation to ESOPs, shall include only the ESOPs which have vested and shall not include the ESOPs which remain unvested and may change on account of any future corporate actions and vesting or exercise of ESOPs), as on date of the Scheme;
- (N) **"Funds"** shall have the meaning set forth in Clause 17(ii);
- (O) **"Governmental Authority"** means any supra national, national, state, municipal or local government authority (including any subdivision, court, administrative or regulatory agency or commission or other authority thereof), quasi government authority, statutory authority, regulatory authority, agency, government department, board, commission, administrative authority, tribunal or court or any authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have 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 or in any other nation, over the Party, including SEBI and CCI;
- (P) **"Governmental Order"** means any judgment, order, writ, injunction, decree, decision, comments or other requirement of any Governmental Authority (or, as the context requires, any Governmental Authority specified);
- (Q) **"Income Tax Act"** means the Income Tax Act, 1961, as may be amended or supplemented from time to time (and any successor provisions), including any re-enactment thereof, together with all applicable by-laws, rules, regulations, circulars, notifications, orders, ordinances, policies, directions and similar Applicable Laws or supplements issued thereunder;
- (R) **"Liabilities"** shall have the meaning set forth in Clause 14(i);
- (S) **"Merger Consideration Shares"** means such number of Transferee Company Shares (*as defined hereinafter*) that an Eligible Shareholder is entitled to receive based on the Share Exchange Ratio (*as defined hereinafter*);
- (T) **"Merger Long Stop Date"** means expiry of 15 (fifteen) months from the date of filing of the Scheme with the Tribunal, or such other date as may be mutually agreed in writing between the Parties;
- (U) **"Person"** means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association (including unincorporated association), organization,



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partnership or proprietorship, body corporate, corporation (including any non-profit corporation), estate, society, firm, or any other enterprise or other entity, including any governmental agency or regulatory body, in each case, whether or not having separate legal personality and whether acting in an individual, fiduciary or other capacity;

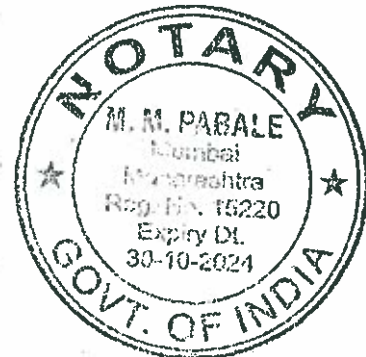
- (V) **"Proceedings"** shall have the meaning set forth in Clause 16(i);
- (W) **"Record Date"** shall mean the date fixed by the Board of the Transferee Company in consultation with the Transferor Company for the purpose of determining the shareholders of the Transferor Company to whom the Merger Consideration Shares shall be allotted under this Scheme;
- (X) **"RoC"** means the Registrar of Companies;
- (Y) **"Sanction Order"** means the orders of the Tribunal approving the Scheme;
- (Z) **"Scheme"** means this scheme of amalgamation by way of merger by absorption including any modification or amendment hereto, made in accordance with the terms hereof;
- (AA) **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992, as amended from time to time;
- (BB) **"SEBI LODR Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any re-enactment, amendments and modifications thereto, as in effect from time to time;
- (CC) **"SEBI Scheme Circular"** means the circular number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by SEBI on scheme of arrangement by listed entities (and any amendments and modifications thereto and any other applicable circular, as in effect from time to time);
- (DD) **"SEBI Scheme Circular - Debt"** means circular no. SEBI/HO/DDHS/DDHSDiv1/P/CIR/20 22/0000000103 dated July 29, 2022 issued by SEBI on scheme of arrangement by entities who have listed their non-convertible debt securities / non-convertible redeemable preference shares (and any amendments and modifications thereto and any other applicable circular, as in effect from time to time);
- (EE) **"Share Exchange Ratio"** means for every 6 Transferor Company Shares, 11 Transferee Company Shares to be issued, as determined by the Valuation Reports and the fairness opinions;
- (FF) **"Stock Exchanges"** means the BSE Limited and National Stock Exchange of India Limited;
- (GG) **"Tax"** means and includes all taxes on income, profit, sales, use, goods, services, asset, capital gains, fringe benefit, gift, gratuity, provident fund, minimum alternate tax, buyback distribution tax, securities transaction tax, dividend distribution tax, withholding taxes, tax collected at source, equalization levy, property tax, value-added tax, sales tax, transfer taxes, goods and service tax, duties of custom and excise, octroi duty, wealth tax, entry tax, stamp duty, customs and similar charges of any jurisdiction, and other governmental charges or duties, levies, imposts or other taxes whether direct or indirect, whether central, state or local, including any surcharge or cess (including education cess, health and education cess, secondary and higher education cess) thereon, together with any interest and any penalties, additions to tax or additional



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amount with respect thereto; including payable in a representative capacity;

- (HH) **"Transferee Company"** shall have the meaning ascribed to it in Clause A above;
- (II) **"Transferee Company Business"** means the business of manufacturing, marketing, sales and/or distribution of fashion apparel, footwear and accessories through offline and/or online channels including wholesale, retail and e-commerce under multiple owned and licenced brands;
- (JJ) **"Transferee Company ESOP Plans"** means Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 and Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019;
- (KK) **"Transferee Company Shares"** means fully paid up equity shares of the Transferee Company having a par value of INR 10 (Indian Rupees Ten only) per equity share and one vote per equity share, and listed on each of the Stock Exchanges and **'Transferee Company Share'** means each such share;
- (LL) **"Transferee Company Stock Options"** means the employee stock options granted by the Transferee Company under Transferee Company ESOP Plans and / or under the Transferee Company Stock Options Plan as per Clause 24 of this Scheme, as the case may be;
- (MM) **"Transferor Company"** shall have the meaning ascribed to it in Clause A above;
- (NN) **"Transferor Company Business"** means (a) the business of manufacturing, distribution and sale of women's apparel, jewellery, footwear and beauty products, in any manner and through any format, currently undertaken under brands "W", "Wishful", "Aurelia", "Elleven" and "Folksong"; (b) the business of wholesale cash and carry trading (including sale through franchisee outlets) of women's apparel, jewellery, footwear and beauty products, in any manner and through any format;
- (OO) **"Transferor Company Employees"** means all the employees of the Transferor Company as on the Effective Date;
- (PP) **"Transferor Company ESOP Plans"** means TCNS ESOP Scheme 2014-2017 (as amended on February 11, 2022) and the TCNS ESOP Scheme 2018-2023 (as amended on February 11, 2022 and July 30, 2022);
- (QQ) **"Transferor Company Shares"** means fully paid up equity shares of the Transferor Company having a par value of INR 2 (Indian Rupees Two only) per equity share and one vote per equity share, and listed on each of the Stock Exchanges and **'Transferor Company Share'** means each such share;
- (RR) **"Transferor Company Stock Options"** means the employee stock options granted by the Transferor Company under the Transferor Company ESOP Plans;
- (SS) **"Tribunal"** means the Mumbai bench of the National Company Law Tribunal, and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the Act, and **"Tribunal"** shall mean each of them individually;
- (TT) **"Undertaking"** means all the undertakings and entire business of the Transferor Company, as a going concern, and shall include (without limitation):



- (i) all assets and properties (whether movable or immovable, tangible or intangible, present or future, in possession or reversion, of whatsoever nature and wherever situate) of the Transferor Company, including investments of all kinds including but not limited to securities (marketable or not), securitized assets, receivables and security receipts, mutual fund investments, all cash and bank balances (including cash and bank balances deposited with any banks or entities), money at call and short notice, loans, advances, contingent rights or benefits, reserves, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, lands, buildings, structures and premises, whether leasehold or freehold (including offices, warehouses, sales and / or marketing offices, liaison offices, branches, factories), work-in-progress, current assets (including sundry debtors, bills of exchange, loans and advances), fixed assets, vehicles, furniture, fixtures, share of any joint assets, and other facilities;
- (ii) all permits, registrations, rights, entitlements, licenses, permissions, approvals, subsidies, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, self-assessment Tax, other income Tax credits, withholding Tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under Tax laws, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax exemptions, Tax refunds (including those pending with any Tax authority), advantages, and all other rights and facilities of every kind, nature and description whatsoever; authorities, Consents, deposits, privileges, exemptions available to the Transferor Company, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, email, internet, leased line connections and installations, electricity and other services, provisions and benefits of all engagements, agreements, contracts, letters of intent, memoranda of understanding, cheques and other negotiable instruments (including post-dated cheques), benefit of assets or properties or other interest held in trust, benefit of any security arrangements, expressions of interest whether under agreement or otherwise, and arrangements and all other interests of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits;
- (iii) all contracts, agreements, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, service agreements, or other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature along with any contractual rights and obligations, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Appointed Date;
- (iv) all intellectual property rights including patents, copyrights, trade and service names, service marks, trademarks, domain names and other intellectual property of any nature whatsoever, goodwill, receivables, belonging to or utilized for the business and activities of the Transferor Company;
- (v) all records, files, papers, computer programs, software licenses, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, suppliers and employees, customer credit information, customer pricing information, and other records whether in physical or electronic



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form belonging to or held by the Transferor Company;

- (vi) all present, and contingent future liabilities of the Transferor Company including all debts, loans (whether denominated in rupees or a foreign currency), term deposits, time and demand liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations (including any postdated cheques or guarantees, letters of credit, letters of comfort or other instruments which may give rise to a contingent liability in whatever form); and
- (vii) the Transferor Company Employees and the Funds of the Transferor Company; and
- (UU) **“Valuation Report”** means a joint valuation report issued by GT Valuation Advisors Private Limited, Independent Chartered Accountant and Bansil S. Mehta & Co., Chartered Accountants, Independent Chartered Accountant dated May 04, 2023 in relation to the valuations of the Transferor Company and the Transferee Company, respectively, for the purposes of determining the Share Exchange Ratio.

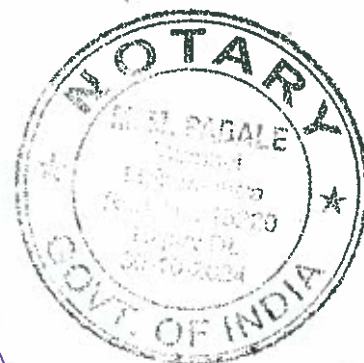
9. Share Capital

- (i) The share capital structure of the Transferor Company as on March 31, 2024 is as follows:

Particulars	Amount in INR
Authorised Share Capital:	
18,00,00,000 equity shares of INR 2 each	36,00,00,000
2,00,00,000 preference shares of INR 1 each	2,00,00,000
TOTAL	38,00,00,000
Issued, Subscribed and Paid-up Share Capital:	
6,32,73,418 equity shares of INR 2 each	12,65,46,836
TOTAL	12,65,46,836

The equity shares of the Transferor Company are listed on Stock Exchanges.

- (ii) The aforesaid issued, subscribed, and paid-up share capital of the Transferor Company does not include Transferor Company Stock Options outstanding for exercise under the Transferor Company ESOP Plans that have been issued by the Transferor Company. Upon exercise of the Transferor Company Stock Options in accordance with the terms and conditions of the relevant Transferor Company ESOP Plan, the Transferor Company shall be required to issue fully paid-up equity shares of the Transferor Company in accordance with the terms and conditions of the Transferor Company ESOP Plans and accordingly the issued, subscribed, and paid-up share capital of the Transferor Company may undergo a change.
- (iii) The share capital structure of the Transferee Company as on March 31, 2024 is as follows:



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Particulars	Amount (in INR)
Authorised Share Capital:	
2,00,00,00,000 equity shares of INR 10 each	20,00,00,00,000
5,00,000 8% Redeemable Cumulative Preference Shares of INR 10 each	50,00,000
15,000 Redeemable Cumulative Preference Shares of INR 100 each	15,00,000
95,00,000 Preference Shares of INR 10 each	9,50,00,000
TOTAL	20,10,15,00,000
Issued and Subscribed Share Capital:	
1,01,52,15,146 equity shares of INR 10 each	10,15,21,51,466
11,10,000 8% Non-Cumulative Non-Convertible Redeemable Preference Shares of INR 10 each	1,11,00,000
TOTAL	10,16,32,51,466
Fully Paid-up Share Capital:	
1,01,50,09,642 equity shares of INR 10 each	10,15,00,96,420
11,10,000 8% Non-Cumulative Non-Convertible Redeemable Preference Shares of INR 10 each	1,11,00,000
TOTAL	10,16,11,96,420

The equity shares of the Transferee Company are listed on Stock Exchanges.

- (iv) The aforesaid issued, subscribed, and paid-up share capital of the Transferee Company does not include the ESOPs outstanding for exercise under the Transferee Company ESOP Plans. Upon exercise of the Transferee Company Stock Options in accordance with the terms and conditions of the relevant Transferee Company ESOP Plans, the Transferee Company shall be required to issue fully paid-up equity shares of the Transferee Company in accordance with the terms and conditions of the Transferee Company ESOP Plans and accordingly the issued, subscribed, and paid-up share capital of the Transferee Company may undergo a change.

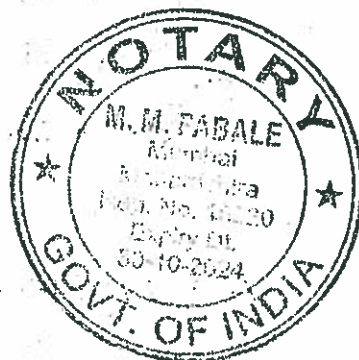
G. Date of taking Effect and operative date of the Scheme

The Scheme shall be effective from the Appointed Date and shall be operative from the Effective Date.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEE COMPANY

10. Transfer of Undertaking



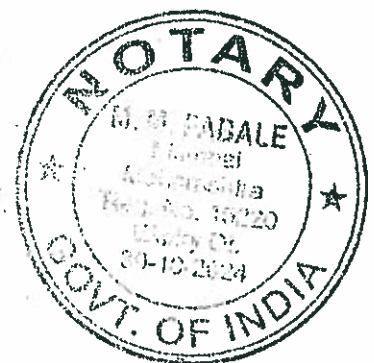
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Upon this Scheme becoming effective from the Effective Date, and with effect from the Appointed Date, and subject to the provisions of this Scheme, the Transferor Company shall stand amalgamated into the Transferee Company and its Undertaking shall, pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, and in accordance with Sections 230 to 232 and other applicable provisions of the Act, the Income Tax Act, 1961 and Applicable Law.

11. Transfer of Assets

Without prejudice to the generality of Clause 10 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) all the estate, assets, rights, claims, title, interest, properties, and authorities comprised in the Undertaking shall, under the Sections 230 to 232 and other applicable provisions of Applicable Law, without any further act, instrument, or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest, properties, and authorities of the Transferee Company;
- (ii) all assets of the Transferor Company, as are movable in nature (including investment in shares and marketable securities) or incorporeal property or are otherwise capable of transfer by physical or constructive delivery, novation and / or by endorsement and delivery or by vesting and recordal or by operation of law pursuant to this Scheme, shall stand transferred to and vested in and / or be deemed to be transferred and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, with effect from the Appointed Date, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act, instrument, or deed for transfer of the same;
- (iii) all other movable assets of the Transferor Company, including actionable claims, earnest monies, receivables, bills, sundry debtors, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authority, customers and any other Persons, shall without any further act, instrument, or deed, become the property of the Transferee Company, with effect from the Appointed Date, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act, instrument, or deed for transfer of the same, and appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors. The Transferor Company shall, upon receipt of the Sanction Order, be entitled to the delivery and possession of all documents of title of such movable property in this regard. The Transferor Company shall, upon the receipt of the Sanction Order, if so required, also give notice in such form as it may deem fit and proper to the debtors or obligor or any other Person, that pursuant to the Sanction Order, the said debtors should pay to the Transferee Company the debt, investment, loan, claim, bank balances and deposit or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover and realize the same stands vested in the Transferee Company;
- (iv) all immovable properties (including land, together with buildings and structures standing thereon), and rights, title and interests thereon or embedded to the land and all rights, title and interests and claims in any immovable properties of the Transferor



Company, whether or not included in the books of the Transferor Company, whether freehold or leasehold or licensed or right of way or otherwise, all tenancies, and all documents of title, lease or license or rent agreements, security deposits, advance, prepaid lease / license fee, rights and easements in relation thereto, shall stand transferred to and vested in and / or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed to be done or executed by the Transferor Company and / or the Transferee Company on the same terms and conditions. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached thereto including refund of any security deposits, advance, prepaid fee and shall be liable to pay the appropriate rent, rates and taxes and fulfill all obligations in relation to or applicable to such immovable properties. Notwithstanding anything contained in this Scheme and without prejudice to the provisions of this Clause 11(iv), in respect of such of the immovable properties of the Transferor Company as the Board of the Transferee Company may determine, whether owned or leased, the concerned parties, shall execute and register or cause so to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, executed on or after the Effective Date, in favour of the Transferee Company. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the fair market value of such properties (arrived at by a government approved independent valuer). The execution of such conveyance shall form an integral part of the Scheme. Upon this Scheme becoming effective, the title to all immovable properties shall be deemed to have been mutated and recognized as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The relevant Governmental Authorities may rely on the Scheme along with the copy of the Sanction Order, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Transferee Company as the owner or lessee (as the case may be) of the immovable properties;

- (v) any assets, right, title, interest, investments and properties acquired by the Transferor Company after the Appointed Date but prior to the Effective Date, whether or not included in the books of the Transferor Company (as the case may be) shall, without any further act, instrument or deed stand transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to Sections 230 to 232 of the Act and other applicable provisions of the Applicable Law;
- (vi) the Transferee Company will be entitled to all intellectual property of the Transferor Company, including patents, trade and service marks, logo, domain names, database rights, copyrights, trade secrets, know-how, brands, marketing authorisations, marketing tangibles, designs, industrial designs, software, confidential processes, inventions, licenses, computer programs, manuals, data, catalogues, sales material and any other intellectual property or proprietary right whether owned by, licensed or assigned to the Transferor Company, whether or not the same are registered, along with all rights or commercial nature including those attached to goodwill, title, interest, labels and brands registrations, and all such other industrial or intellectual rights of whatsoever nature, and all intellectual property of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in the Transferee Company. Necessary filings, intimations, updates, etc., as may be required in terms of Applicable Law shall be undertaken with the relevant Governmental Authority, in order to reflect the foregoing and shall be carried out by the Transferee Company and Transferor Company, as may be applicable;

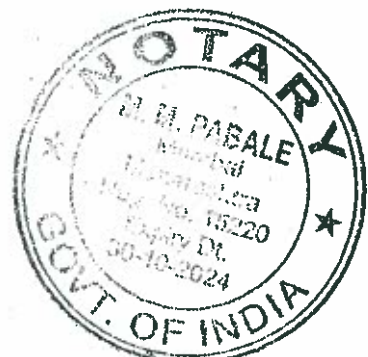


- (vii) all goodwill and past track record of the Transferor Company, including without limitation, the profitability, experience, credentials and market share, shall, without any further act, instrument or deed, stand transferred to and vested in the Transferee Company and shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients;
- (viii) all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have been transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realize monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. It is hereby clarified that all cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company on or after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and
- (ix) all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instrument of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible for, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

12. Transfer of Contracts, Deeds, etc.

Without prejudice to the generality of Clause 10 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) subject to the provisions of this Scheme, all Contracts, deeds, bonds, agreements, schemes, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, bids, letter of intent, arrangements, undertakings whether written or otherwise, insurance policies, applications, and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or for the obligations of which the Transferor Company may be liable, and which are subsisting or have effect immediately before the Appointed Date, shall without any further act, instrument or deed continue in full force and effect on or against or in favour of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto; and
- (ii) without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under the Applicable 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 Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee



Company shall, under the provisions of Part II of this Scheme, be deemed to be authorised to execute any such writings as a successor of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

13. Transfer of Licenses and Approvals

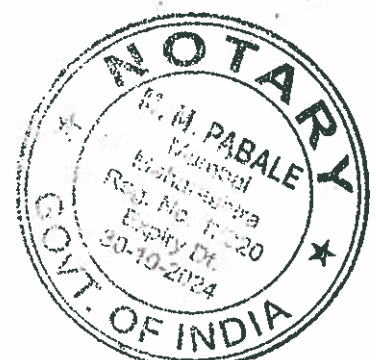
Without prejudice to the generality of Clause 10 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) all approvals, allotments, Consents, concessions, clearances, credits, awards, sanctions, exemptions, benefits, tax deferrals, subsidies, incentives, refunds, grants, registrations, no-objection certificates, permits, quotas, rights, entitlements, assignments, authorisations, pre-qualifications, bids, acceptances, tenders, licenses (including the licenses granted by any Governmental Authority or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, privileges, powers, facilities, special status, letter of allotments and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, including the benefits of any applications made for any of the foregoing, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. It is hereby clarified that if the Consent of any third party or Governmental Authority is required to give effect to the provisions of this Clause, the said party or the Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Transferee 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 Transferee Company shall file appropriate applications / documents with relevant authorities concerned for information and record purposes; and
- (ii) all statutory licenses, no-objection certificates, Consents, permissions, approvals, licenses, certificates, or clearances by the Governmental Authorities, issued to or executed in favour of the Transferor Company or any applications made for the same by the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee 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 Transferee Company. The Transferee Company shall make applications to any Governmental Authority as may be necessary in this behalf.

14. Transfer of Liabilities

Without prejudice to the generality of Clause 10 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (i) all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or a foreign currency), sundry creditors, debentures, loans raised and used, duties and obligations of the Transferor Company of every kind, nature, and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations ("Liabilities"), whether or not recorded in its books and records shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to be



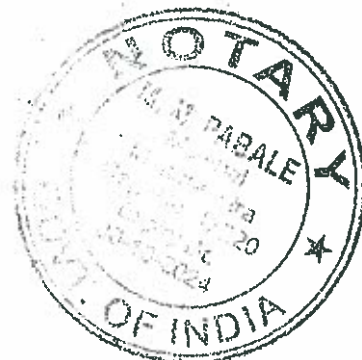
transferred to and vested in the Transferee Company to the extent that they are outstanding on the Appointed Date so as to become as and from the Appointed Date, the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the Consent of any third party or other Person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 14;

- (ii) any Liabilities raised and used or incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to Sections 230 to 232 of the Act and other applicable provisions of the Applicable Law, without any further act, instrument, or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the Liability of the Transferee Company which shall meet, discharge and satisfy the same;
- (iii) where any of the Liabilities incurred before the Appointed Date by the Transferor Company, deemed to have been transferred to the Transferee Company by virtue of this Scheme, have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;
- (iv) loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall stand discharged and come to an end on the Effective Date with effect from the Appointed Date and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company;
- (v) it is expressly provided that, save as mentioned in this Clause 14, no other term or conditions of the Liabilities of the Transferor Company transferred to the Transferee Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implications; and
- (vi) subject to the necessary Consents being obtained, if required, in accordance with the terms of this Scheme, Clause 14 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which shall stand superseded by the foregoing provisions.

15. Transfer of Encumbrances

Without prejudice to the generality of Clause 10 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) the transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the Encumbrances, if any, affecting the same, as and to the extent hereinafter provided;
- (ii) all Encumbrances over the Transferor Company's assets existing on the Effective Date, shall in so far as they secure or pertain to Liabilities of the Transferor Company, shall, after the Appointed Date, continue to relate and attach to such assets or any part thereof



to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company;

- (iii) if any assets of the Transferor Company have not been Encumbered in respect of any Liabilities transferred pursuant to this Scheme, such assets shall remain unencumbered, and any existing Encumbrance shall not be extended to and shall not operate over such assets or to any other assets of the Transferee Company. The holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits, and interests of the Transferor Company and therefore, assets of the Transferor Company or the Transferee Company which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company; and
- (iv) any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and / or modification(s) of charge(s), with the RoC to give formal effect of the above provisions, if required.

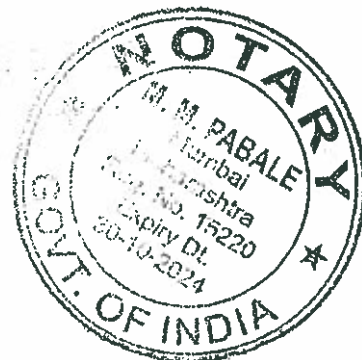
16. Transfer of Legal and other Proceedings

Without prejudice to the generality of Clause 10 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) any suits, actions, claims, cause of actions, appeals, legal or other proceedings including before any statutory or quasi-judicial authority or tribunal other proceedings of whatsoever nature ("Proceedings") by or against the Transferor Company which is pending on the Effective Date or which may be instituted at any time in the future, shall not abate, be discontinued or be in any way prejudicially affected by reason of the Amalgamation or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee 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 Transferor Company as if the Scheme has not been made;
- (ii) the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company, which are capable of being continued by or against the Transferee Company, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company; and
- (iii) the Transferee Company shall be deemed to be authorised under this Scheme to execute any pleadings, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

17. Employees

Without prejudice to the generality of Clause 10 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

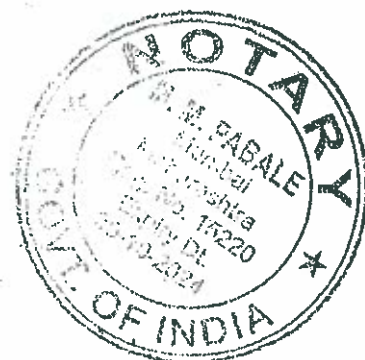


- (i) all Transferor Company Employees as on the Effective Date, shall become the employees of the Transferee Company, subject to the provisions hereof, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company as on the Effective Date and without any interruption of, or break in service as a result of the Amalgamation. The past services of the Transferor Company Employees and benefits to which the employees are entitled in the Transferor Company shall be taken into account for the purpose of payment of any compensation, gratuity, and other terminal benefits by the Transferee Company;
- (ii) in so far as the provident fund, gratuity fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for the Transferor Company Employees or to which the Transferor Company is contributing for the benefit of the Transferor Company Employees ("Funds") are concerned, all the contributions made to such Funds for the benefit of the Transferor Company Employees and the investments made by the Funds in relation to the Transferor Company Employees shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Transferor Company Employee. If the Transferee Company has its own funds in respect of any of the Funds, such contributions and investments shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be transferred to the relevant funds of the Transferee Company and shall be held for the benefit of the concerned Transferor Company Employee. It is hereby clarified that the services of all employees of the Transferor Company will be treated as having been continuous and uninterrupted for the aforesaid Funds;
- (iii) in relation to those Transferor Company Employees for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including relating to the obligation to make contributions to the said government provident fund in accordance with the provisions of such government provident fund, such that all the rights, duties, powers and obligations of the Transferor Company in relation to such government provident fund shall become those of the Transferee Company; and
- (iv) Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:
 - (a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or
 - (b) merge the pre-existing funds of the Transferor Company with other similar funds of the Transferee Company.

18. Inter-se Transaction

Without prejudice to the generality of Clause 10 above, in the event that the Appointed Date is prior to the Effective Date, upon the coming into effect of this Scheme and with effect from the Appointed Date until the Effective Date:

- (i) all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes;
- (ii) there will be no accrual of income or expense on account of any transactions, including, inter alia, any transactions in the nature of sale or transfer of any goods, materials or services, between the parties. For avoidance of doubt, it is hereby clarified that with



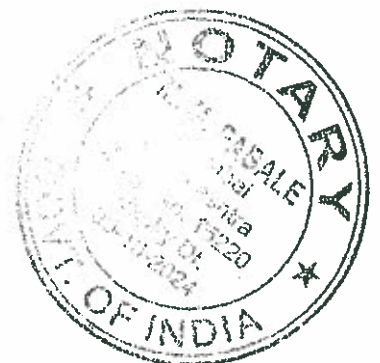
effect from the Appointed Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the parties;

- (iii) any liabilities, loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company; and
- (iv) all inter-se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

19. Treatment of Taxes

Without prejudice to the generality of Clause 10 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) all Taxes / cess / duties paid, payable, received or receivable by or on behalf of the Transferor Company, including all or any refunds, claims or entitlements as to tax credits, Taxes paid in advance, and / or Taxes deducted at source, and / or Taxes collected at source, including refunds or claims pending with the revenue authorities, if any, shall, for all purposes be treated as the Taxes / cess / duties, liabilities or refunds of the Transferee Company;
- (ii) the unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to service tax / goods and service tax on input goods consumed by the Transferor Company shall be transferred to the Transferee Company automatically without any specific approval or permission, as an integral part of the Scheme;
- (iii) upon the Scheme becoming effective:
 - (a) To the extent required, the Transferor Company and the Transferee Company shall be permitted to revise and file their respective financial statements, income tax returns (including tax deducted at source or tax collected at source), withholding tax returns (including Tax deducted at source certificates), sales tax, value added tax, service tax, central sales tax, entry tax, goods and services tax returns and any other tax returns, if required to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired; and
 - (b) The Transferee Company shall be entitled to: (i) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Transferor Company, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Appointed Date; and (ii) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Company prior to the Appointed Date;
- (iv) upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, unabsorbed Tax depreciation and accumulated losses, if any, of the Transferor Company as on the Appointed Date, shall,



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for all purposes, be treated as unabsorbed Tax depreciation and accumulated losses of the Transferee Company. It is further clarified that any unabsorbed depreciation of the Transferor Company as specified in their respective books of accounts shall be included as unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate tax;

- (v) any tax liability under the Income Tax Act, or any other applicable Tax laws or regulations allocable to the Transferor Company whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Company made as on the date immediately preceding the Appointed Date, shall be transferred to the Transferee Company. Any surplus in the provision for taxation or duties or levies in the accounts of the Transferor Company, including advance Tax and Tax deducted at source as on the close of business in India on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company;
- (vi) all Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Company, pending or arising as on the Appointed Date, shall be continued and / or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the Amalgamation of the Transferor Company into the Transferee Company or anything contained in this Scheme;
- (vii) any refund under the Income Tax Act or any other Tax laws related to or due to the Transferor Company, including those for which no credit is taken as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company;
- (viii) without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and service Tax and applicable state value added Tax) to which the Transferor Company is entitled to in terms of applicable Tax laws, shall be available to and vest in the Transferee Company from the Appointed Date; and
- (ix) all the expenses incurred by the Transferor Company and the Transferee Company in relation to the Amalgamation in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the Income Tax Act over a period of 5 (five) years beginning with the financial year in which this Scheme becomes effective.

20. Conduct

- (i) During the period between the approval of the Scheme by the Board of the Transferor Company and the Board of the Transferee Company and the Effective Date, the business of the Transferor Company and the Transferee Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law and as mutually agreed between Transferor Company and the Transferee Company.
- (ii) Notwithstanding anything to the contrary contained in this Scheme, each of the Transferor Company and the Transferee Company shall be able to raise capital as it may deem fit ("**Capital Raise**") during the period between the approval of the Scheme by the Board of the Transferor Company and the Board of the Transferee Company and



the Effective Date, provided that such Capital Raise shall: (a) not result in dilution of more than 5% (five percent) of the equity share capital on a fully diluted basis of the Transferor Company or the Transferee Company (as the case may be); (b) be at a valuation not lower than the average of the valuation as set out in the Valuation Report by each of the valuers; (c) be subject to all Applicable Laws; and (d) be post shareholders' and creditors approval for the Scheme.

- (iii) In the event the Appointed Date is prior to the Effective Date, then with effect from the Appointed Date and up to and including the Effective Date:
- the Transferor Company undertakes to carry on and shall be deemed to have carried on its business activities and stand possessed and shall be deemed to have held and stood possessed of the properties and assets pertaining to the Transferor Company, for and on account of and in trust for the Transferee Company;
 - the Transferor Company hereby undertakes to hold its said assets with utmost prudence in the ordinary course of business until the Effective Date;
 - all profits and income accruing to the Transferor Company, and losses and expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) for the period from the Appointed Date based on the accounts of the Transferor Company shall, subject to the Scheme being effective, for all purposes, be treated as the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
 - all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Transferor Company which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company;
 - all assets and properties comprised in the Transferor Company as on the date immediately preceding the Appointed Date, whether or not included in the books of the Transferor Company and all assets and properties relating thereto, which are acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company; and
 - any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of the Transferee Company.

21. Saving of concluded transactions

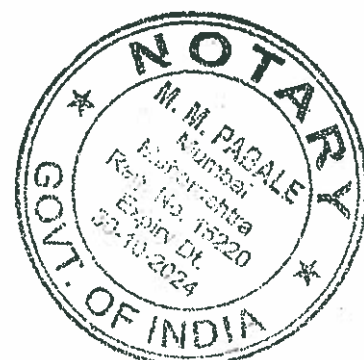
Subject to this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

PART III

CONSIDERATION FOR AMALGAMATION

22. Issuance of Merger Consideration Shares for Amalgamation

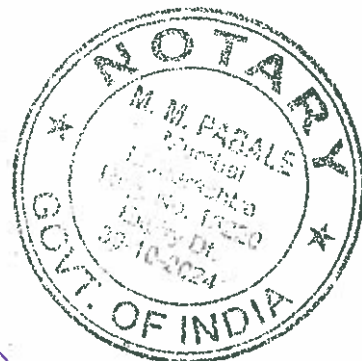
- (i) Upon this Scheme becoming effective and in consideration of the Amalgamation including the transfer and vesting of the Undertaking of the Transferor Company in the



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Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further application, act, or deed issue and allot the Merger Consideration Shares to all Eligible Shareholders, at the Share Exchange Ratio on the basis of the Valuation Report; and all the Transferor Company Shares held by the Transferee Company on the Effective Date shall stand cancelled without any further application, act or deed. Further, the investment in the shares of the Transferor Company, as reflecting in the books of accounts of the Transferee Company shall, without any further act or deed, stand cancelled, written-off, or otherwise extinguished.

- (ii) No Merger Consideration Shares shall be allotted in respect of fractional entitlements, by the Transferee Company to which the members of the Transferor Company, respectively may be entitled on allotment of the Merger Consideration Shares. The Board of the Transferee Company shall, in compliance with Applicable Law, consolidate all such fractional entitlements and thereupon allot the Merger Consideration Shares in lieu thereof to a Person / trustee authorised by the Board of the Transferee Company in this behalf who shall hold such Merger Consideration Shares in trust on behalf of the members of the relevant Transferor Company, entitled to fractional entitlements with the express understanding that such Person shall sell the Merger Consideration Shares so allotted on the Stock Exchanges at such time or times and at such price or prices and to such other Person, as such Person / trustee deems fit within 90 days from the date of allotment or such other period as per the Applicable Law, and shall distribute the sale proceeds, gross of any Tax incidence on such sale proceeds, to the members of the relevant Transferor Company in proportion to their respective fractional entitlements. In case the number of such Merger Consideration Shares to be allotted to a person authorised by the Board of the Transferee Company by virtue of consolidation of fractional entitlements is a fraction, it shall be rounded off to the next higher integer.
- (iii) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transaction period.
- (iv) The issue and allotment of the Merger Consideration Shares by the Transferee Company to Eligible Shareholders as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the Act and any other applicable provisions of the Act were duly complied with. The cancellation of the Transferor Company Shares held by the Transferee Company as provided in this Scheme is an integral part hereof and it is hereby clarified that the consent of the shareholders of the Transferee Company to this Scheme and the Sanction Order shall be deemed to be sufficient for the purposes of effecting the aforementioned cancellation, and no further resolution(s) or actions under the Act or any other applicable provisions of the Act would be required to be separately passed or undertaken.
- (v) Where the Merger Consideration Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased Eligible Shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of the

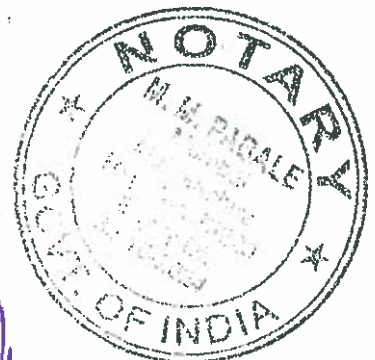


Transferee Company.

- (vi) Promptly upon the issuance of the Merger Consideration Shares pursuant to this Clause 22, the Transferee Company shall prepare and file applications, along with all supporting documents, to obtain approval from SEBI and the Stock Exchanges, for listing of such Merger Consideration Shares. Immediately upon receipt of such approval, the Transferee Company shall take all necessary steps to obtain trading approval for the Merger Consideration Shares. The Transferee Company shall ensure that steps for listing of the Merger Consideration Shares are completed, and trading of Merger Consideration Shares are completed and trading of the Merger Consideration Shares commences within the time period prescribed under the SEBI Scheme Circular. The Merger Consideration Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are given by the relevant Stock Exchanges.
- (vii) Each Merger Consideration Share to be issued and allotted by the Transferee Company in terms of this Scheme shall be credited as fully paid and free from any and all Encumbrances and shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari passu* in all respects and shall have the same rights attached to the then existing equity shares of the Transferee Company.
- (viii) If any consolidation, stock split, sub division, reorganization, reclassification or other similar action in relation to the share capital of the Transferor Company or the Transferee Company, that occurs after the date of approval of the Scheme by the Board of Transferor Company and the Board of Transferee Company, and on or before the Effective Date, the Share Exchange Ratio shall be adjusted accordingly to reflect such corporate action in such a manner as the relevant company's auditors may determine to be appropriate to reflect such corporate action.
- (ix) The Merger Consideration Shares shall be issued and allotted in dematerialized form to all Eligible Shareholders in accordance with the Applicable Laws.
- (x) The Merger Consideration Shares to be issued by the Transferee Company in respect of the Transferor Company Shares, which are held in abeyance under the provisions of Section 126 of the Act or which the Transferee Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Law or pending allotment or settlement of dispute by order of the Tribunal or any Governmental Authority or otherwise shall, be held in abeyance by the Transferee Company.
- (xi) The Merger Consideration Shares issued pursuant to this Scheme may not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and the Transferee Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Transferee Company may elect to rely upon. In relying upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the Tribunal to this Scheme vide the Sanction Order will be relied upon for the purposes of qualifying the issuance and distribution of the Merger Consideration Shares for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

PART IV

CHANGES TO THE SHARE CAPITAL OF THE TRANSFEE COMPANY AND ACCOUNTING TREATMENT



23. **Amendment to the Memorandum of Association of the Transferee Company**

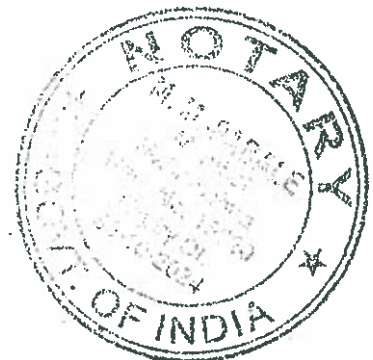
- (i) Upon this Scheme becoming effective and upon the vesting and transfer of the Undertaking to the Transferee Company, the entire authorised share capital of the Transferor Company shall stand transferred to the authorised share capital of the Transferee Company without any further act, deed or instrument. Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, stand altered to read as under:

"The Authorised Share Capital of the Company is ₹ 20,48,15,00,000 (Rupees Two Thousand Forty-Eight Crore Fifteen Lakhs only) divided into 2,03,60,00,000 (Two Hundred Three Crore Sixty Lakhs) Equity Shares of ₹ 10/- each (Rupees Ten only) amounting to ₹ 20,36,00,00,000 (Rupees Two Thousand Thirty-Six Crore only), 8% 5,00,000 (Five Lakhs) Redeemable Cumulative Preference Shares of ₹ 10/- (Rupees Ten Only) each amounting to ₹ 50,00,000 (Rupees Fifty Lakhs only), 15,000 (Fifteen Thousand) 6% Redeemable Cumulative Preference Shares of ₹ 100/- (Rupees Hundred only) each amounting to ₹ 15,00,000 (Rupees Fifteen Lakhs only), 95,00,000 (Ninety Five Lakhs) Preference Shares of ₹ 10/- each (Rupees Ten only) amounting to ₹ 9,50,00,000 (Rupees Nine Crore Fifty Lakh only) and 2,00,00,000 (Two Crore) Preference Shares of ₹ 1 (Rupees One only) each amounting to ₹ 2,00,00,000 (Rupees Two Crore only) with a power to increase or reduce the capital of the Company in accordance with the provisions of the Companies Act, 2013 and to classify or reclassify the Share Capital."

- (ii) It is clarified that the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendments and the increase of authorised capital of the Transferee Company pursuant to this Clause 23, and no further resolution(s) under Sections 4, 13, 14 and 61 and all other applicable provisions of the Act, if any, would be required to be separately passed.
- (iii) In accordance with Section 232(3)(i) of the Act and Applicable Law, the stamp duties and / or fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be deemed to be utilized and applied to the increased authorised share capital of the Transferee Company pursuant to this Clause 23 and no separate stamp duties and / or fees would be payable for the increase in the authorised share capital of the Transferee Company to the extent of fees already paid by the Transferor Company on the authorised share capital of the Transferor Company.

24. **Employee Stock Options**

- (i) In respect of the Transferor Company Stock Options granted by the Transferor Company under the Transferor Company ESOP Plans and which have vested in accordance therewith but which are outstanding and have not been exercised as on the Record Date, upon the effectiveness of the Scheme, all such Transferor Company Stock Options shall automatically stand cancelled and the Transferee Company shall issue Transferee Company Stock Options to all such holders of the Transferor Company Stock Option, taking into account the Share Exchange Ratio. The exercise price payable for such Transferee Company Stock Options shall be as adjusted after taking into account the effect of the Share Exchange Ratio.
- (ii) In respect of the Transferor Company Stock Options granted by the Transferor

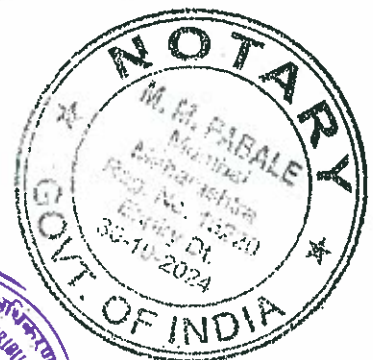


Company under the Transferor Company ESOP Plans but which remain outstanding and unvested as on the Record Date, upon the effectiveness of the Scheme, all such Transferor Company Stock Options shall automatically stand cancelled and the Transferee Company shall issue Transferee Company Stock Options to all such holders of the Transferor Company Stock Option, taking into account the Share Exchange Ratio. The vesting price and exercise price payable for such Transferee Company Stock Options shall be as adjusted after taking into account the effect of the Share Exchange Ratio.

- (iii) It is hereby clarified that in relation to the Transferee Company Stock Options granted in accordance with this Scheme, the period during which the Transferor Company Stock Options granted by the Transferor Company were held by or deemed to have been held by the holders of the Transferor Company Stock Options shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Company Stock Option Plan, as the case may be.
- (iv) The Transferee Company Stock Options to be issued pursuant to Clause 24(i) and Clause 24(ii) above may be issued by the Transferee Company either under any of its existing Transferee Company ESOP Plans or a revised stock option plan for the employees of the Transferee Company and the holders of the Transferor Company Stock Options or under a separate employee stock option plan created by the Transferee Company *inter alia* for the purpose of granting stock options to the holders of the Transferor Company Stock Options pursuant to this Scheme ("Transferee Company Stock Option Plan"), on the same terms and conditions (including vesting period and conditions), as set out in the Transferor Company ESOP Plans, or such other terms and conditions as approved by the Transferee Company which are no less favorable than those provided under the Transferor Company ESOP Plans, subject to Applicable Laws. Further, fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as set out in Clause 24(i) and Clause 24(ii) above shall be rounded off to the nearest higher integer.
- (v) The grant of Transferee Company Stock Options pursuant to this Scheme shall be effected as an integral part of the Scheme and the approval of relevant Governmental Authorities and the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Company Stock Option Plan, including without limitation, for the purposes of creating the Transferee Company Stock Option Plan and / or modifying the Transferee Company Stock Option Plan (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the Transferee Company Stock Options granted under the Transferee Company ESOP Plans, and / or modifying the exercise price of the Transferee Company Stock Options under the Transferee Company Stock Option Plan), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under Applicable Law.
- (vi) The Boards of the Transferor Company and the Transferee Company or any of the committee(s) thereof, including the nomination and remuneration committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

35. Accounting Treatment

- (i) Notwithstanding anything to the contrary contained in the Scheme, the Transferee Company shall account for amalgamation of the Transferor Company in accordance with Appendix C to Indian Accounting Standard 103 (*Business Combination of entities under*



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common control) and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of the Act, as amended and relevant clarifications issued by the Institute of Chartered Accountants of India.

- (ii) Notwithstanding anything contained in any other Clause in the Scheme, upon the Scheme being effective, the Transferor Company shall stand dissolved without winding-up. Accordingly, there is no accounting treatment prescribed which would have any impact or need to be reflected in the books of the Transferor Company.

PART V

DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

26. Dissolution of Transferor Company

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without being wound-up. On and from the Effective Date, (i) the Board of the Transferor Company, shall, without any further acts, resolutions, filings, instruments, or deeds, cease to exist and stand dissolved; and (ii) the name of the Transferor Company shall be struck off from the records of the RoC.

27. Impact of the Scheme on Non-Convertible Debenture Holders of the Transferee Company

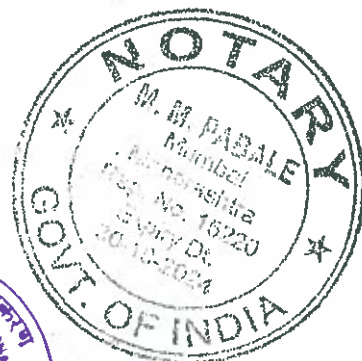
There shall be no change in terms and conditions of the Listed NCDs pursuant to this Scheme. The holders of the Listed NCDs as on the Effective Date will continue to hold the Listed NCDs, without any interruption and on the same terms. Accordingly, this Scheme will have no adverse impact on the holders of the Listed NCDs.

28. Validity of Existing Resolutions

Upon the coming into effect of this Scheme, the resolutions and powers of attorney of / or executed by the Transferor Company, as are considered necessary by the Board of the Transferee Company, and which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and powers of attorney passed / executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other Applicable Law, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

29. Applications

- (i) The Transferor Company and the Transferee Company shall make all necessary applications and petitions to the Tribunal under Sections 230 to 232 and other applicable provisions of the Act, for sanction of this Scheme and all matters ancillary or incidental thereto, under provisions of Applicable Law and obtain such other approvals, as required under Applicable Law.
- (ii) Upon this Scheme being effective, the members of the Transferee Company and the Transferor Company shall be deemed to have also accorded their approval under all relevant provisions of the Act and Applicable Law for giving effect to the provisions contained in this Scheme.
- (iii) The Transferee Company and the Transferor Company shall be entitled, pending the



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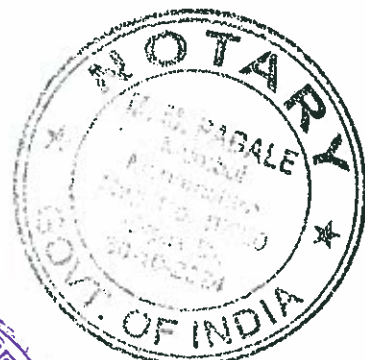
effectiveness of the Scheme, to apply to any Governmental Authority, if required under any Applicable Law for such consents and approvals, as agreed between the Transferee Company and the Transferor Company, which they may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed.

30. No modifications, including any modification(s) approved, imposed or directed by the Tribunal, the Stock Exchanges, or any other Governmental Authority, shall be made to the Scheme without a written agreement between the Transferor Company and the Transferee Company to do so. This Scheme shall not be revoked or withdrawn, other than in accordance with Clause 34 below. Notwithstanding anything contained in this Scheme, no modification may be made to the Scheme post grant of Sanction Order by the Tribunal without prior approval of the Tribunal.

31. **Conditions Precedent to Effectiveness**

Unless otherwise agreed between the Parties in writing, the coming into effect of this Scheme is conditional upon and subject to:

- (i) the Stock Exchanges having issued their observation / no-objection letters as required under the SEBI LODR Regulations read with the SEBI Scheme Circular and the SEBI Scheme Circular – Debt;
 - (ii) this Scheme being approved by the respective requisite majorities of the various classes of members (passed through postal ballot / e-voting, as applicable) and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act and the SEBI Scheme Circular, subject to any dispensation of holding and convening meetings of members and creditors, that may be granted by the Tribunal;
 - (iii) the approval of the Scheme by the public shareholders of the Transferor Company in accordance with Para A.10 (a) and (b) of Part I of the SEBI Scheme Circular provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the votes by the public shareholders against it;
 - (iv) such other conditions as may be mutually agreed between the Transferor Company and the Transferee Company;
 - (v) grant of Sanction Order under the provisions of Sections 230 to 232 of the Act and receipt of certified copy of the Sanction Order; and
 - (vi) there not being any Governmental Order from any Governmental Authority (other than a competition and / or anti-trust authority) that has the effect of making the Amalgamation illegal or otherwise restraining or preventing its consummation.
32. The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 31 above are satisfied (or to the extent permissible under Applicable Law, waived by the Transferee Company) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other Person.
33. The certified copy of the Sanction Order shall be filed with the RoC within 30 (thirty) days, or such longer period permitted under Applicable Law, from the date on which the last of the events specified in Clause 31 of the Scheme are satisfied or have occurred or the requirement of which have been waived (in writing) in accordance with this Scheme.



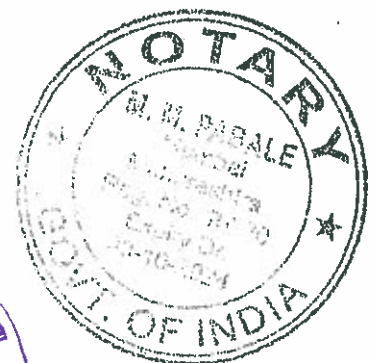
34. **Withdrawal of the Scheme**

- (i) The Transferor Company and the Transferee Company, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- (ii) In the event:
- (a) any of the conditions precedent set out in sub-Clause (i) to (vi) of Clause 31 are not fulfilled by the Merger Long Stop Date;
 - (b) without prejudice to and subject to Clause 34(iii) below, any of the requisite approvals, Sanction Order or no-objections have been rejected; or
 - (c) any of the requisite approvals, Sanction Order or no-objections are subject to conditions which, in the joint written opinion of the parties, is not acceptable,
- this Scheme shall automatically stand revoked, cancelled, and be of no effect from such date, save and except in respect of any act or deed done prior thereto as is contemplated herein 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 as may otherwise arise in law.
- (iii) Notwithstanding anything contained in Clause 34(ii), in the event SEBI, the Stock Exchanges, or the Tribunal rejects the Scheme but provides a chance for re-submission thereof, the Scheme shall not automatically become revoked, cancelled, null and void unless the parties mutually agree not to appeal the decision of SEBI, Stock Exchanges, or the Tribunal, as the case may be.
- (iv) Upon revocation or cancellation of this Scheme set out in this Clause 34,
- (a) this Scheme shall become null and void, and no rights and liabilities shall accrue to or be incurred by the Transferor Company and the Transferee Company or their shareholders or creditors or employees or any other Person. In such cases, each of the Transferor Company and the Transferee Company shall bear its own costs and expenses unless otherwise mutually agreed; and
 - (b) each of the Transferor Company and the Transferee Company shall take all necessary steps to withdraw or cause the withdrawal of the Scheme, and / or applications made for the approval of the Transaction from the relevant Governmental Authorities.

35. **Power to Remove Difficulties**

The authorised signatory of the Transferor Company and the Transferee Company, either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing, including without limitation through any definitive agreement(s) that may be entered into by and between the Transferor Company and the Transferee Company in relation to the Scheme:

- (i) give such directions (acting jointly) as may be mutually agreed in writing by the Transferor Company and the Transferee Company as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the



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meaning or interpretation of this Scheme or implementation thereof or in any matter 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; and

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

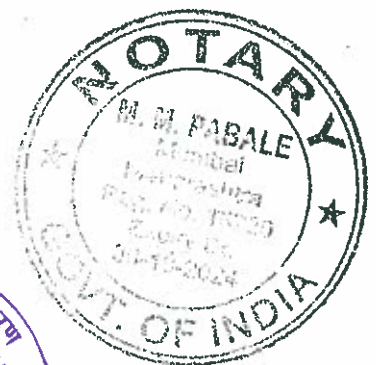
36. Costs

- (i) Each of the Transferor Company and the Transferee Company agree that it shall bear by itself all own costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme until the date of sanction of this Scheme by the Tribunal, including without limitation, costs and expenses associated with retention of financial, legal, tax and other professional advisers, and in connection with the valuation report and the fairness opinion issued by their respective valuers and merchant bankers.
- (ii) Save as otherwise agreed, all stamp, transfer, registration, and other similar taxes, duties, charges and fees (including in relation to the registration and the stamping of the Sanction Order) payable or assessed in connection with this Scheme, the issuance of Merger Consideration Shares and the transfers contemplated by the Scheme shall be borne by the Transferee Company.

37. Severability

If any provision of this Scheme becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Scheme, and the Transferor Company and the Transferee Company will negotiate in good faith to agree to replace such illegal, void, or unenforceable provision of this Scheme with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision or act in accordance with a judgment, order, decree, or declaration made by a court of competent jurisdiction. The balance of this Scheme shall be enforceable in accordance with its terms.

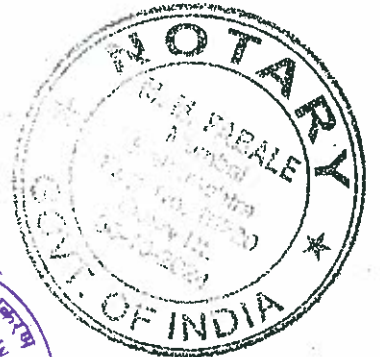
38. It is hereby clarified that the submission of this Scheme to the Tribunal and to the Governmental Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the Transferor Company and / or the Transferee Company may have under or pursuant to all Applicable Laws.



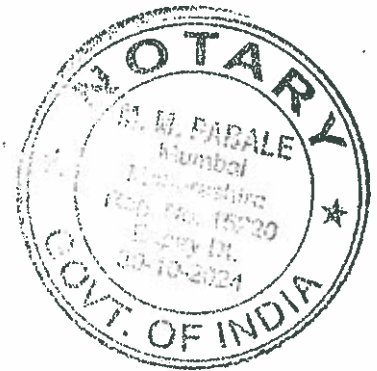
SCHEDULE A

Disclosures as per SEBI Scheme Circular - Debt in relation to the non-convertible debentures of the Transferee Company

ISIN		INE647O08107	INE647O08115	INE647O08123
Face Value		10,00,000	1,00,000	1,00,000
Dividend/ Coupon		Coupon	Coupon	Coupon
Terms of payment of dividends/ coupon including frequency, etc.		Annual Coupon with the coupon rate of 5.80%	Annual Coupon with the coupon rate of 7.80%	Annual Coupon with the coupon rate of 7.57%
Credit Rating		AA/Stable	AA/Positive	AA+/Stable
Tenure/ Maturity		3 years	3 years	7 years
The terms of redemption		Interest to be paid annually and principle payable at maturity		Interest to be paid annually and principle payable in 3 annual instalments at the end of 5 th , 6 th and 7 th year
Amount of redemption		INR 4,00,00,00,000 (Indian Rupees Four Hundred Crores Only)	INR 5,00,00,00,000 (Indian Rupees Five Hundred Crores Only)	INR 7,50,00,00,000 (Indian Rupees Seven Hundred Fifty Crores Only)
Date of redemption		09 September 2024	30 January 2026	12 September 2030
Redemption premium/ discount		NA	NA	NA
Early redemption scenarios, if any		Yes, in case the credit rating is downgraded to A	Yes, in case the credit rating is downgraded to A	Yes, in case the credit rating is downgraded to A+ or below
Safeguards for the protection of holders of NCDs		NA	NA	NA
Exit offer to the dissenting holders of NCDs, if any		None	None	None
Other embedded features (put option, call option, dates, notification times, etc.)		NA	NA	NA
Other terms of instruments		As per Private Placement Offer letter dated September 6, 2021 and Debenture Trust Deed dated September 14, 2021	As per Private Placement Offer letter dated January 24, 2023 and Debenture Trust Deed dated January 31, 2023	As per Private Placement Offer letter dated September 11, 2023 and Debenture Trust Deed dated



				September 7, 2023
Latest audited financials along with notes to accounts and any audit qualifications	ABFRL Board meeting Outcome May18 2022.pdf			
An auditors' certificate certifying the payment / repayment capability of the resultant entity*	https://www.abfirl.com/investors/scheme-of-amalgamation			
Business Report*	https://www.abfirl.com/investors/scheme-of-amalgamation			
Any other information/details pertinent for holders of NCDs		As per Private Placement Offer letter dated September 6, 2021 and Debenture Trust Deed dated September 14, 2021	As per Private Placement Offer letter dated January 24, 2023 and Debenture Trust Deed dated January 31, 2023	As per Private Placement Offer letter dated September 11, 2023 and Debenture Trust Deed dated September 7, 2023
Name of debenture trustee	Axis Trustee Services Limited			



Certified True Copy _____
 Date of Application 14/8/2024
 Number of Pages 30
 Fee Paid Rs. 150/-
 Applicant called for collection copy on 16/8/2024
 Copy prepared on 16/08/2024
 Copy issued on 16/8/2024


 16/08/2024
 Deputy Registrar

National Company Law Tribunal, Mumbai Bench.





THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT-1

C.P.(CAA)/43/MB/2025

Connected with

C.A.(CAA)/223/MB/2024

In the matter of

The Companies Act, 2013 (18 of 2013)

and

Section 232 r/w Section 230 of

*The Companies Act, 2013 and other
applicable provisions of the Companies Act,
2013*

*read with the Companies (Compromises,
Arrangements and Amalgamations) Rules,
2016;*

In the matter of

Scheme of Arrangement

Aditya Birla Fashion and Retail Limited,

CIN: L18101MH2007PLC233901

...Petitioner Company 1/

Demerged Company

Aditya Birla Lifestyle Brands Limited

CIN: U46410MH2024PLC423195

...Petitioner Company 2/

Resulting Company

[Collectively referred to as 'Petitioner Companies']

Order delivered on 27.03.2025

Coram:

Shri Prabhat Kumar

Hon'ble Member (Technical)

Justice V.G. Bisht (Retd.)

Hon'ble Member (Judicial)





Appearances:

For the Petitioner Companies:

Mr. Ahmed Chunawala, Advocate

For the Regional Director:

Mr. Bhagwati Prasasd, Assistant
Director from the Office of the
Regional Director Western Region,
Ministry of Corporate Affairs.

ORDER

1. Heard Learned Counsel for the Petitioner Companies as well as the Representative of the Regional Director, Western Region, the Ministry of Corporate Affairs ("**Regional Director**"). No objection has been received by the National Company Law Tribunal, Mumbai Bench ("**Tribunal**") opposing the Company Scheme Petition and nor has any party controverted any averments made in the Company Scheme Petition.
2. The sanction of the Scheme is sought under Sections 232 r/w Section 230 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under for the Scheme of Arrangement between **Aditya Birla Fashion and Retail Limited** ("**Demerged Company**") and **Aditya Birla Lifestyle Brands Limited** ("**Resulting Company**") and their respective shareholders and creditors.
3. The Board of Directors of the Petitioner Companies have approved the Scheme of Arrangement by passing the Board Resolutions in its meeting held on April 19, 2024. The appointed date is fixed as 01.04.2024.





4. The Petitioner Company No. 1 is currently engaged in the business of manufacturing, marketing, sales and/or distribution of fashion apparel, footwear and accessories through offline and/or online channels including wholesale, retail and e-commerce under multiple owned and licensed brands and that the Petitioner Company No. 2 has been incorporated for carrying out the business of manufacturing, marketing, sales and/or distribution of fashion apparel, footwear and accessories through offline and/or online channels including wholesale, retail and e-commerce under multiple owned and licensed brands.
5. The rationale for the proposed Scheme as per Part A of the Scheme is as under:
- (a) ABFRL runs a diverse portfolio of fashion brands and retail formats with key business segments comprising of Madura Fashion and Lifestyle and Pantaloons, Ethnic portfolio along with other new growth platforms.
 - (b) The MFL Business (as defined in the Scheme) has built a leadership position over a long period of time and has a proven track record of delivering consistent revenue growth, profitability, strong free cash flows and high return on capital. The Remaining Business of the Demerged Company (as defined hereinafter) comprises portfolio of multiple businesses. The Scheme is being proposed to separate MFL Business from the Remaining Business of the Demerged Company and demerge it into the Resulting Company.
 - (c) The proposed Scheme would be in the best interests of the Demerged Company, Resulting Company and, their





respective shareholders, employees, creditors and other stakeholders for the below reasons:

- (i) The distinctive profile and established business model of the MFL Business makes it suitable to be housed in a separately listed entity, allowing sharper strategic focus in pursuit of its independent value creation trajectory;
- (ii) Result in better and efficient control and management for the segregated businesses, operational rationalization, organization efficiency and optimum utilization of various resources;
- (iii) The Scheme would unlock value for the overall-business portfolio through price discovery of the individual entities for existing shareholders;
- (iv) The Demerged Company will house multiple growth platforms across value and masstige retail, branded ethnic business, super premium and luxury retail formats and portfolio of digital brands and will chart its own growth journey;
- (v) The Scheme could lead to the right operating architecture for both companies with sharper focus on their individual business strategies and clear capital allocation, in alignment with their respective value creation journeys; and
- (vi) Separately listed companies to attract specific set of investors for their business profile, and consequently, encourage stronger capital market outcomes.





6. The Petitioner Companies submits that the captioned Company Scheme Petition is filed in consonance with Section 232 r/w Section 230 and other applicable provisions of the Act and the order dated 27.11.2024 passed in the Company Scheme Application No. C.A.(CAA)/223/(MB)2024 ("**Order**") by this Tribunal.
7. The Petitioner Companies further submits that they have complied the order 10.02.2025 intimating the date of hearing and service of Petition upon the Sectoral/Regulatory authorities and also made paper publication in two leading newspapers one in Business Standard and another one in vernacular language i.e. Navshakti on 21.02.2025 and filed necessary affidavit of Compliance with this Tribunal on 07.03.2025 and the Petitioner Companies have complied with all the requirements as per the directions of this Tribunal. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the rules & regulations made thereunder. The said undertaking is accepted.
8. The Regional Director has filed his Report dated 28.02.2025 making certain observations and the Petitioner Companies have undertaken/made following submission that :
 - a. The Petitioner Companies shall pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable Accounting Standards;
 - b. The Scheme enclosed to the Company Application and Company Scheme Petition is one and the same and that there is no discrepancy;





- c. The approval of Scheme by the Tribunal shall not deter such authorities to deal with any of the issues arising after giving effect to the Scheme and the decisions of such authorities shall, as per applicable law, be binding on the concerned Petitioner Companies;
- d. The Petitioner Companies shall comply with observation made by the BSE limited and NSE limited vide their observation letters dated October 30, 2024 and October 28, 2024 respectively, read with Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- e. The Petitioner Company shall comply with the applicable rules, regulations, guidelines of FEMA, FERA and RBI to the extent applicable.
9. Mr. Bhagwati Prasad, Additional Director for the Office of Regional Director (WR), Mumbai appears on the date of hearing and submits that above explanations and clarifications given by the Petitioner Companies in rejoinder are satisfactory and they have no further objection to the Scheme.
10. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 43 of 2025 (C.P. (CAA)/43/MB/2025) is made absolute in terms of the prayer clause of the said Company Scheme Petition.





11. The creditors of undertaking, being demerged, shall be entitled to make claim against the resulting company as well as demerged company in relation to their debt up to the date of demerger. In case the resulting Company is made to pay the debt of such undertaking, it shall be entitled to seek reimbursement of the amount so paid from the Demerged Company.
12. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this Scheme and it shall be open to the Income Tax Authorities to take necessary action to deal with, in relation to tax or any other kind of obligations of Demerged Company against the Resulting Company, as permissible under the Income Tax Laws.
13. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically in E-Form INC-28, within 30 days from the date of receipt of the Order by the Petitioner Companies.
14. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable within 60 days from the date of receipt of the Order, if any.
15. All concerned authorities to act on a copy of this Order along with Scheme duly authenticated by the Deputy Director or Assistant Registrar, National Company Law Tribunal, Mumbai.





THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT-I

C.P.(CAA)/43/MB/2025
c/w
C.A.(CAA)/223/MB/2024

16. Ordered Accordingly. Pronounced in open court today.

Sd
Prabhat Kumar
Member (Technical)

Sd
Justice V. G. Bisht
Member (Judicial)



Certified True Copy _____
Date of Application 28/08/2025
Number of Pages 8
Fee Paid Rs. 40/-
Applicant called for collection copy on 22/04/2025
Copy prepared on 22/04/2025
Copy Issued on 22/04/2025

P Singh 22/4/25

Deputy Registrar
National Company Law Tribunal, Mumbai Bench

EXHIBIT - K

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Annexure 2

SCHEME OF ARRANGEMENT

AMONG

**ADITYA BIRLA FASHION AND RETAIL LIMITED
(DEMERGED COMPANY)**

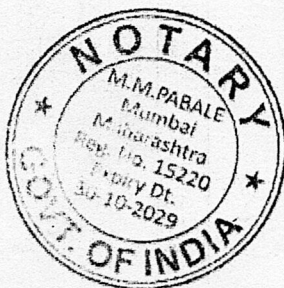
AND

**ADITYA BIRLA LIFESTYLE BRANDS LIMITED
(RESULTING COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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



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(A) DESCRIPTION OF COMPANIES

1. Aditya Birla Fashion and Retail Limited, is a public company, limited by shares, incorporated under the Companies Act 1956 bearing corporate identification number L18101MH2007PLC233901 and having its registered office at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla Mumbai Maharashtra 400070 (hereinafter referred to as "**Demerged Company**"). The equity shares of the Demerged Company are listed on the Stock Exchanges (as defined hereinafter). The Demerged Company NCDs (as defined hereinafter) are listed on BSE Limited ("BSE").
2. Aditya Birla Lifestyle Brands Limited ("**Resulting Company**") is a public company limited by shares, incorporated under the Companies Act, 2013 on April 9, 2024, bearing corporate identification number U46410MH2024PLC423195 and having its registered office at Piramal Agastya, Building A, 401, 403, 501, 502, LBS Road, Kurla, Mumbai Maharashtra 400070 (hereinafter referred to as "**Resulting Company**"). The Resulting Company is a wholly owned subsidiary of the Demerged Company.

(B) OVERVIEW OF THE SCHEME

1. This Scheme (as defined hereinafter) is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (as defined hereinafter) and *inter alia* provides for the following:
 - (i) demerger, transfer and vesting of the Demerged Undertaking (as defined hereinafter) from the Demerged Company into the Resulting Company on a *going concern* basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income Tax Act (as defined hereinafter); and
 - (ii) various other matters consequential or otherwise integrally connected therewith including changes in share capital and reduction and cancellation of pre-scheme share capital of the Resulting Company.

(C) RATIONALE

- (i) ABFRL runs a diverse portfolio of fashion brands and retail formats with key business segments comprising of Madura Fashion and Lifestyle and Pantaloons, Ethnic portfolio along with other new growth platforms.
- (ii) The MFL Business (as defined hereinafter) has built a leadership position over a long period of time and has a proven track record of delivering consistent revenue growth, profitability, strong free cash flows and high return on capital. The Remaining Business of the Demerged Company (as defined hereinafter) comprises portfolio of multiple businesses.
- (iii) The Scheme is being proposed to separate MFL Business from the Remaining Business of the Demerged Company and demerge it into the Resulting Company. The proposed Scheme would be in the best interests of the Demerged Company, Resulting Company and, their respective shareholders, employees, creditors and other stakeholders for the below reasons:
 - (a) The distinctive profile and established business model of the MFL Business makes it suitable to be housed in a separately listed entity, allowing sharper strategic focus in pursuit of its independent value creation trajectory;
 - (b) Result in better and efficient control and management for the segregated businesses, operational rationalization, organization efficiency and optimum utilization of various resources;



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- (c) The Scheme would unlock value for the overall-business portfolio through price-discovery of the individual entities for existing shareholders;
- (d) The Demerged Company will house multiple growth platforms across value and masstige retail, branded ethnic business, super premium and luxury retail formats and portfolio of digital brands and will chart its own growth journey;
- (e) The Scheme could lead to the right operating architecture for both companies with sharper focus on their individual business strategies and clear capital allocation, in alignment with their respective value creation journeys; and
- (f) Separately listed companies to attract specific set of investors for their business profile, and consequently, encourage stronger capital market outcomes.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and implementation of this Scheme;
2. **PART II** deals with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a going concern basis and issue of Resulting Company New Equity Shares (*as defined hereinafter*) by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof; and
3. **PART III** deals with the general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS, SHARE CAPITAL OF THE PARTIES, DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

1. DEFINITIONS

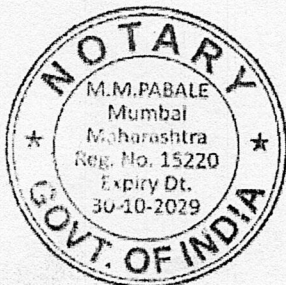
- 1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

"ABFRL Merger Scheme" means the scheme of amalgamation amongst the Demerged Company and TCNS and their respective shareholders and creditors pursuant to Sections 230 to 232 of the Act providing inter alia for the amalgamation of TCNS with and into the Demerged Company;

"ABFRL NCNCRPS" means 8% non-cumulative non-convertible redeemable preference shares issued by the Demerged Company of Rs. 10 each;

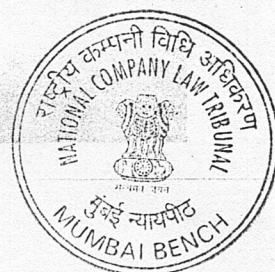
"ABFRL ESOP Scheme 2017" means Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 and amendments thereto as approved by the Board and shareholders of the Demerged Company;

"ABFRL ESOP Scheme 2019" means Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 and amendments thereto as approved by the Board and shareholders of the Demerged Company;



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"ABFRL SAR Scheme 2019" means Aditya Birla Fashion and Retail Limited Stock Appreciation Rights Scheme 2019 and amendments thereto as approved by the Board of the Demerged Company;

"ABLBL NCNCRPS" means 8% non-cumulative non-convertible redeemable preference shares to be issued by the Resulting Company of Rs. 10 each;

"Act" means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory replacement or re-enactment thereof;

"Applicable Law" or **"Law"** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, press notes, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority; (b) Permits; and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a Person, as may be in force from time to time;

"Appointed Date" means April 1, 2024 or such other date as may be approved by the Boards of the Demerged Company and the Resulting Company;

"Appropriate Authority" means: (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof; (ii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, Regional Director, Ministry of Corporate Affairs, Registrar of Companies, SEBI, Official Liquidator and the Tribunal; and (iii) any Stock Exchange;

"Board" in relation to a Party, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors;

"Demerged Company Stock Option Plans" means collectively, ABFRL ESOP Scheme 2017, ABFRL ESOP Scheme 2019, ABFRL SAR Scheme 2019, TCNS ESOP Scheme and New Stock Option Plans;

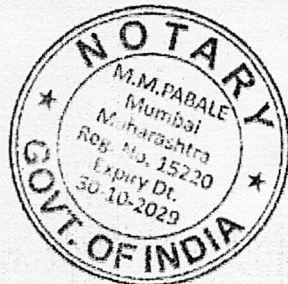
"Demerged Company Members" means the shareholders of the Demerged Company including the shareholders of TCNS who have become shareholders of the Demerged Company pursuant to effectiveness of the ABFRL Merger Scheme;

"Demerged Company NCDs" means collectively NCD 1, NCD 2 and NCD 3;

"Demerged Company Stock Options" means ESOPs, RSUs and SARs, granted and / or vested by the Demerged Company under Demerged Company Stock Option Plans;

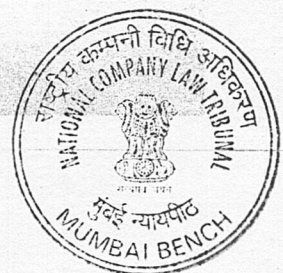
"Demerged Undertaking" means the undertaking of the Demerged Company pertaining to the MFL Business as on the Appointed Date and shall include (without limitation):

- (i) all assets and properties of the Demerged Company in relation to the MFL Business whether or not recorded in the books of accounts of the Demerged Company and rights thereto and all documents of title, wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, including all buildings, factory, civil works, foundations for civil works, communication facilities, installations, warehouses, stores, factory outlets, stores under progress, equipment, structures, furniture, offices, all lands (whether



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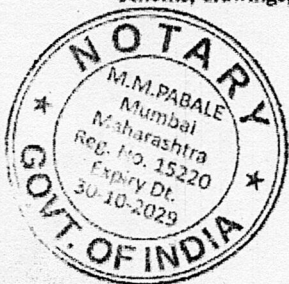
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leased, licensed, right of way, tenancies or freehold), benefits of any rental agreements for use of premises, marketing offices, capital works in progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), stock-in-trade, stock-in-transit, merchandise (including raw materials), finished goods, supplies (including wrapping supplies), packaging items, tools, whether in transit or located at stores (including factory outlets) and warehouses, computers, vehicles, furniture, fixtures, office equipment, air conditioners, appliances, accessories, power lines, share of any joint assets, any finished goods and any facilities, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables in cash or kind or for value to be received, cash, cash equivalents and bank accounts (including bank balances), benefit of any deposits and accrued interest thereto, actionable claims, prepaid expenses, bills of exchange, promissory notes, financial assets, insurance policies, funds, provisions, and benefit of any bank guarantees, performance guarantees and letters of credit appertaining or relatable to the MFL Business;

- (ii) Demerged Liabilities;
- (iii) investments in subsidiaries and joint ventures engaged in the MFL Business including investments in Aditya Birla Garments Limited;
- (iv) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, income tax deducted at source, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the MFL Business;
- (v) all Permits, quotas, incentives, powers, authorities, allotments, rights, benefits, advantages, bids, tenders, letters of intent, expressions of interest, subsidies, tenancies in relation to the office and/or residential properties for employees, benefit of any deposits, privileges, all other rights including sales tax deferrals and exemptions and other benefits, lease rights, receivables and liabilities related thereto, licenses, powers and facilities of every kind and nature and description whatsoever, rights to use and avail of telephones and installations, utilities, electricity and other services and all other interests in connection with or relating to the MFL Business;
- (vi) all contracts, agreements, business partnerships and collaborations including brand distribution agreements, service orders, operation and maintenance contracts, memoranda of understanding/undertaking / agreements, bids, expressions of interests, equipment purchase agreement, letters of intent, lease arrangements, leave and license agreements, contracts pertaining to franchises, brand license, vendors, stores maintenance, housekeeping, security, contract workers, purchase and other agreements with supplier/ service providers, other arrangements, undertakings, deeds, bonds, schemes, powers of attorney, insurance covers and claims, and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise, as amended and restated from time to time and all rights, title, interest, assurances, claims and benefits thereunder related to or pertaining to the MFL Business;
- (vii) all earnest moneys and/or security deposits paid by the Demerged Company in connection with or relating to the MFL Business;
- (viii) all intellectual property and intellectual property rights, brands, logos, designs, labels, trade secrets, service marks, copyright, tradenames and trademarks of the Demerged Company in relation to the MFL Business (including any applications for the same) of any nature whatsoever (whether owned, licensed or otherwise and whether registered or unregistered);
- (ix) all books, records, files, papers, engineering and process information, computer programs, domain names, license for software and any other software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations, marketing



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intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information, and other records whether in physical or electronic form in connection with or pertaining to MFL Business;

- (x) all legal or other proceedings of whatsoever nature that form part of the MFL Business which are capable of being continued by or against Resulting Company under Applicable Law;
- (xi) entire experience, credentials, past record, goodwill and market share of the Demerged Company pertaining to the MFL Business; and
- (xii) the Transferring Employees.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company;

"Demerged Liabilities" means the liabilities as defined in Clause 4.2.6 of the Scheme;

"Effective Date" means the date which will be the first day of the month following the month in which the Parties mutually acknowledge in writing that all the conditions and matters referred to in Clause 20.1 of the Scheme have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme; References in this Scheme to the date of **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** or **"upon effectiveness of the Scheme"** shall mean the Effective Date;

"Encumbrance" means any form of legal or equitable encumbrance or security interest including any mortgage, pledge, hypothecation, assignment by way of security, non-disposal undertaking, escrow, charge, lien or other security interest or encumbrance of any kind securing any obligation of any Person (including, without limitation, any right granted by a transaction or other type of preferential arrangement or interest of any nature whatsoever which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law), outstanding Taxes (which have become due and payable), option, pre-emptive right, proxy, power of attorney, voting agreement, right of first offer, first, last or other refusal right, or transfer restriction in favour of any Person, beneficial ownership, adverse claim, title retention agreement, conditional sale agreement, any provisional, conditional or executional attachment, trust (other title exception of whatsoever nature), any agreement to create any of the foregoing or any adverse claim as to title, possession or use and the term **"Encumber"** shall be construed accordingly;

"ESOP" means employee stock options;

"Income Tax Act" means the Income-tax Act, 1961;

"MFL Business" means the division of the Demerged Company engaged in business of manufacturing, marketing, sales and/or distribution of fashion apparel, footwear and accessories through offline and/or online channels including wholesale, retail and e-commerce under four lifestyle brands viz Louis Phillippe, Van Heusen, Allen Solly and Peter England along with casual wear brands viz. American Eagle and Forever 21, sports wear brand Reebok and the innerwear business under the Van Heusen brand;

"NCD 1" means the NCDs issued by the Demerged Company as specified in Schedule A;

"NCD 2" means the NCDs issued by the Demerged Company as specified in Schedule A;

"NCD 3" means the NCDs issued by the Demerged Company as specified in Schedule A;



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"NCDs" means non-convertible debentures;

"NSE" means National Stock Exchange of India Limited;

"Parties" shall collectively mean the Demerged Company and the Resulting Company; and "Party" means each of them, individually;

"Permits" means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

"Person" means an individual, (including in his capacity as trustee), entity, a corporation, a partnership (whether limited or unlimited) a company an association, a trust a joint venture, proprietorship or other enterprise (whether incorporated or not), an unincorporated organization Hindu Undivided Family, trust, union, association of persons or any governmental authority or any agency, department, authority or political subdivision thereof, and shall include their respective successors, successors-in-interest and in case of an individual shall include his/ her legal representatives, administrators, executors, permitted assignees, liquidators, and heirs and in case of a trust, shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

"Re" or "Rs" or "Rupee(s)" means Indian Rupee(s), the lawful currency of the Republic of India;

"Record Date" means the date to be fixed by the Board of the Demerged Company in consultation with the Board of the Resulting Company for the purpose of determining the equity shareholders of the Demerged Company for issue of the Resulting Company New Equity Shares;

"Remaining Business of the Demerged Company" means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than the Demerged Undertaking;

"Remaining Employees" means the employees of the Demerged Company other than Transferring Employees;

"Resulting Company New Equity Shares" means fully paid-up equity share(s) having face value of Rs 10 each issued by the Resulting Company as consideration in terms of Clause 8.1 of this Scheme;

"Resulting Company Stock Option Plans" means collectively, new employee stock option schemes of the Resulting Company formulated in accordance with the Demerged Company Stock Option Plans named as ABLBL ESOP Scheme 2017, ABLBL ESOP Scheme 2019, ABLBL SAR Scheme 2019, and ABLBL TCNS ESOP Scheme (as applicable), pursuant to Clause 5.6;

"Resulting Company Stock Options" means the ESOPs, RSUs and SARs granted and / or vested by the Resulting Company to the eligible Demerged Company Stock Option holders after effectiveness of the Scheme in accordance with the Resulting Company Stock Option Plans;

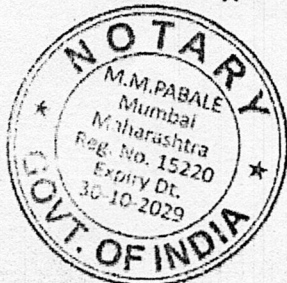
"Retained NCDs" means collectively, NCD 1 and NCD 3;

"RoC" means the relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;

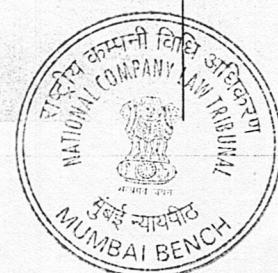
"RSU" means restricted stock units;

"Sanction Order" means the orders of the Tribunal approving the Scheme;

"SAR" means stock appreciation rights which includes option stock appreciation right and restricted stock unit stock appreciation right;



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"Scheme" or "this Scheme" means this scheme of arrangement as modified from time to time;

"SEBI" means the Securities and Exchange Board of India;

"SEBI Debt Circular" means Chapter XII of the operational circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 issued by SEBI dated July 29, 2022, as amended from time to time;

"SEBI LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"SEBI Schemes Master Circular" means Master Circular No. SEBI/HO/CFD/POD2/P/CIR/2023/93 dated June 20, 2023, issued by SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;

"Stock Exchanges" means BSE and NSE collectively and Stock Exchange shall mean each of them individually;

"Tax Laws" means all Applicable Laws dealing with Taxes including but not limited to income-tax, goods and service tax, customs duty or any other levy of similar nature;

"Taxation" or "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 any of the Parties and all penalties, charges, costs and interest relating thereto;

"TCNS" means TCNS Clothing Co. Limited, a public company, limited by shares, incorporated under the Companies Act 1956 bearing corporate identification number L18101MH2007PLC233901 and having its registered office at Piramal Agastya Corporate Park, Building A, 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S Road, Kurla Mumbai Maharashtra 400070;

"TCNS ESOP Scheme" means the employee stock option scheme of the Demerged Company which will be formulated and implemented in accordance with and pursuant to the effectiveness of the ABFRL Merger Scheme;

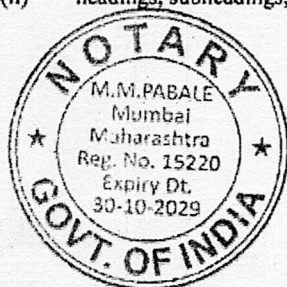
"Transferring Employees" means the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking as on the Effective Date;

"Transferring NCDs" means NCD 2; and

"Tribunal" means the National Company Law Tribunal, Mumbai having jurisdiction over the Parties and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable.

1.2 In this Scheme, unless the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) headings, subheadings, titles, subtitles to clauses and sub-clauses are for convenience only and



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shall be ignored in construing the Scheme;

- (iii) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and
- (iv) all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India, Act, 1992, the Depositories Act, 1996 or any other Applicable Laws, rules, regulations, bye laws, as the case may be.

2. SHARE CAPITAL

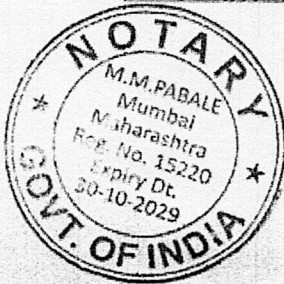
2.1 The share capital of the Demerged Company as on April 19, 2024 is as follows:

Particulars	Rs
Authorised Share Capital	
2,00,00,00,000 equity shares of INR 10 each	20,00,00,00,000
5,00,000 8% redeemable cumulative preference shares of INR 10 each	50,00,000
15,000 6% redeemable cumulative preference shares of INR 100 each	15,00,000
95,00,000 preference shares of INR 10 each	9,50,00,000
Total	20,10,15,00,000
Issued and Subscribed Share Capital	
101,52,15,146 equity shares of INR 10 each	10,15,21,51,460
11,10,000 8% non-cumulative non-convertible redeemable preference shares of INR 10 each	1,11,00,000
Total	10,16,32,51,460
Paid-up Share Capital	
101,50,09,642 equity shares of INR 10 each	10,15,00,96,420
11,10,000 8% non-cumulative non-convertible redeemable preference shares of INR 10 each	1,11,00,000
Total	10,16,11,96,420

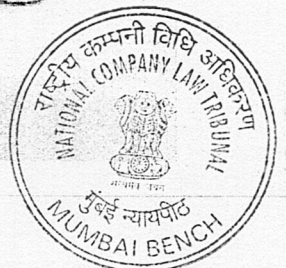
2.2 The aforesaid issued, subscribed, and paid-up share capital of the Demerged Company does not include (i) issuance of equity shares by the Demerged Company pursuant to exercise of ESOPs and RSUs under Demerged Company Stock Option Plans (as applicable); (ii) issuance of equity shares by the Demerged Company to the equity shareholders of TCNS pursuant to and in accordance with the ABFRL Merger Scheme; and (iii) capital raise referred in Clause 8.9. Upon the happening of any and/or all the aforesaid events the issued, subscribed, and paid-up share capital of the Demerged Company shall undergo a change. However, the share entitlement ratio set out in Clause 8 shall not be adjusted on account of any such variation on account of the actions referred in Clause 2.2 (i), (ii) and/or (iii) above.

2.3 The share capital of the Resulting Company as on April 19, 2024 is as follows:

Particulars	Rs
Authorised Share Capital	
50,000 equity shares of Rs 10 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-up Share Capital	
50,000 equity shares of Rs 10 each	5,00,000



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Total	5,00,000
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3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

- 3.1 This Scheme shall become effective from the Appointed Date but shall become operative from the Effective Date.

PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

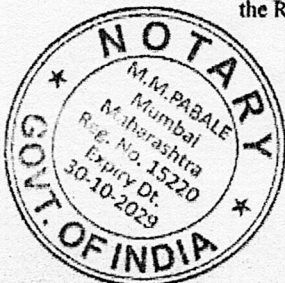
4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 4.1 Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

- 4.2 Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer of the Demerged Undertaking under this Scheme, is as follows:

- 4.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets), intellectual property and intellectual property rights, including any applications for the same, of any nature whatsoever including but not limited to brands, trademarks forming part of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and such other industrial and intellectual property rights of whatsoever nature or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

- 4.2.2 Subject to Clause 4.2.3 below, with respect to the moveable assets of the Demerged Undertaking other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares (including in subsidiaries and joint ventures engaged in the MFL Business including investments in Aditya Birla Garments Limited), mutual funds, bonds and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

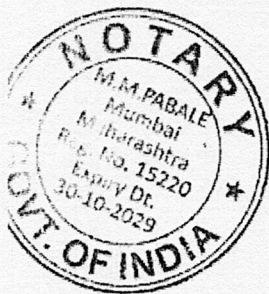
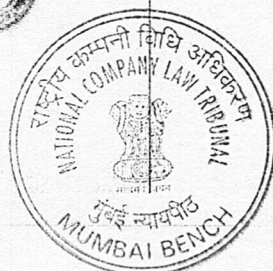


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- 4.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company;
- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant sub-registrar of assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company, if the Resulting Company so decides, the Demerged Company and the Resulting Company, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 4.2.6 Upon effectiveness of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking ("**Demerged Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date. The term "**Demerged Liabilities**" shall include:
- 4.2.6.1 the debts, liabilities 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;
- 4.2.6.2 specific loans or borrowings, if any; and
- 4.2.6.3 in cases other than those referred to in Clauses 4.2.6.1 or 4.2.6.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date, including Transferring NCDs;
- 4.2.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to its Remaining Business and the Resulting Company shall not have any obligations in respect of the debts, liabilities, duties and obligations

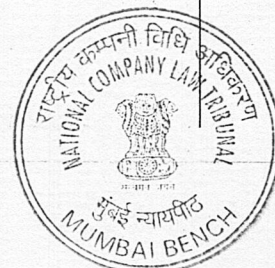



of the Remaining Business. Further, upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Demerged Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such respective Demerged Liabilities;

- 4.2.8 Post the Effective Date, the Demerged Company may, at the request of the Resulting Company, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;
- 4.2.9 In so far as Encumbrances, if any, in respect of the Demerged Liabilities, such Encumbrance 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 already been Encumbered in respect of the Demerged Liabilities as transferred to the Resulting Company pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Resulting Company, provided that if any of the assets comprised in the Demerged Undertaking being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered, and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Resulting Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. 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;
- 4.2.10 Subject to other provisions of this Scheme, in so far as the assets forming part of the Demerged Undertaking are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of the Remaining Business of the Demerged Company, shall, as and from the Effective Date, without any further act, instrument or deed, stand released and discharged and shall no longer be available as Encumbrances in relation to those loans, liabilities, borrowings of the Demerged Company pertaining to the Remaining Business of the Demerged Company (and which shall continue with the Demerged Company);
- 4.2.11 In so far as the assets of the Remaining Business of the Demerged Company are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings forming part of the Demerged Liabilities shall, without any further act, instrument or deed be release and discharged from such Encumbrances. The absence of any formal amendment which may be required by a lender or trustee or third party in order to effect such release shall not affect the operation of Clauses 4.2.10 and this Clause 4.2.11;
- 4.2.12 Subject to Clause 4 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, 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 Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 4.2.13 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company



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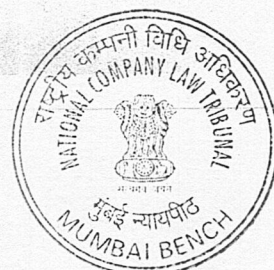


and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company;

- 4.2.14 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities 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, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Demerged Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever;
- 4.2.15 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause;
- 4.2.16 As on the date of the Boards of the Parties approving the Scheme, Birla Management Centre Services Private Limited ("BMCSPL") holds 11,10,000 ABFRL NCNCRPS. Upon effectiveness of the Scheme, 5,55,000 ABFRL NCNCRPS out of total 11,10,000 ABFRL NCNCRPS shall automatically stand cancelled in the Demerged Company without any further application, act, instrument or deed and in lieu thereof BMCSPL shall be issued and allotted 5,55,000 ABLBL NCNCRPS on the same terms and conditions as ABFRL NCNCRPS. The aforesaid reduction is being made pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme and the Parties shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately. The aforesaid reduction of capital does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form. The order of Tribunal sanctioning the Scheme shall also be deemed to be an order under the Act for the purposes of confirming the reduction of 5,55,000 ABFRL NCNCRPS. The consent of the shareholders of Demerged Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the above reduction. Notwithstanding the reduction in the share capital of the Demerged Company, the Demerged Company shall not be required to add "And Reduced" as suffix to its name. Further, the aforesaid allotment of ABLBL NCNCRPS by the Resulting Company to BMCSPL is being made as an integral part of the Scheme, and shall not in any manner be construed to be a part or whole of the consideration for the demerger under this Scheme, and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with;
- 4.2.17 Upon the coming into effect of this Scheme, the investment limits of the Resulting Company in terms of Section 186 of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate investments forming part of the Demerged Undertaking transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing investment limits of the Resulting Company; and
- 4.2.18 Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 180(1) (c) of the Act shall be deemed to be increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Demerged



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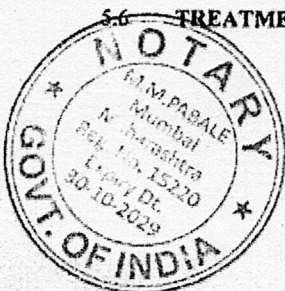
Liabilities transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Resulting Company.

- 4.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Demerged Undertaking transferred to and registered in, the name of the Resulting Company, as per Applicable Law.

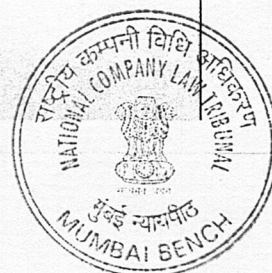
5. EMPLOYEES

- 5.1 Upon effectiveness of the Scheme, all Transferring Employees shall become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service.
- 5.2 The past services of all the Transferring Employees prior to the Effective Date shall be taken into account for the purposes of all benefits to which such employees may be eligible, including for the purpose of payment of any retrenchment or redundancy compensation, leave encashment, gratuity and other terminal benefits. The accumulated balances, if any, standing to the credit in favour of the aforesaid Transferring Employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company. Pending the transfer as aforesaid, the dues of the said Transferring Employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.
- 5.3 Further to the transfer of the accumulated balances or contributions from the funds as set out in Clause 5.2 above, for all purposes whatsoever in relation to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Demerged Company in relation to the Demerged Undertaking as on the Effective Date in relation to such funds shall become those of the Resulting Company. It is clarified that the services of the Transferring Employees will be treated as having been continuous for the purposes of the said funds.
- 5.4 In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business of the Demerged Company are concerned, the same shall continue and the Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and the Resulting Company shall have no liability in respect thereof.
- 5.5 Subject to the provisions of Clause 5.6 below, in so far as existing employee benefit plans of the Demerged Company are concerned or in the event the Demerged Company approves or adopts any employee benefit plans including employee benefit plans for ESOPs, RSUs or SARs, after the approval of the Scheme by the Boards of the Parties but prior to the Effective Date ("New Stock Option Plans"), such New Stock Option Plans shall include appropriate provisions for the manner in which such benefits shall be available to the relevant employees.

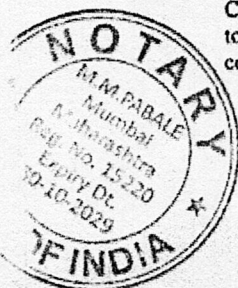
5.6 TREATMENT OF DEMERGED COMPANY STOCK OPTIONS



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- 5.6.1 After the Scheme becoming effective, Demerged Company Stock Options granted and / or vested by the Demerged Company pursuant to Demerged Company Stock Option Plans will continue to be governed by the provisions of respective Demerged Company Stock Option Plans, subject to the modifications proposed in this Clause 5.6. In addition, the Resulting Company shall formulate the Resulting Company Stock Option Plans in accordance with the provisions mentioned in this Clause 5.6.
- 5.6.2 After the Scheme becoming effective, with respect to the Demerged Company Stock Options granted and / or vested by the Demerged Company to the eligible employees of the Demerged Company (irrespective of whether they are Remaining Employees or Transferring Employees) under the Demerged Company Stock Option Plans and, for every 1 (one) Demerged Company Stock Options (as the case may be) outstanding as on the Record Date in the Demerged Company, such eligible Remaining Employee and Transferring Employee shall be granted and / or vested 1 (one) Resulting Company Stock Options under the relevant Resulting Company Stock Option Plans (as the case may be) on the terms and conditions which would be similar to the Demerged Company ESOP Plans as applicable, subject to the provisions mentioned in this Clause 5.6.
- 5.6.3 The Demerged Company Stock Options granted by the Demerged Company under the Demerged Company Stock Option Plans (as the case may be) would continue to be held by the eligible Remaining Employees and Transferring Employees. After the Scheme becoming effective, the Board of the Demerged Company shall, take necessary steps to modify the Demerged Company Stock Option Plans, including adjustments to the exercise prices of outstanding Demerged Company Stock Options (as the case may be), in accordance with the Applicable Laws.
- 5.6.4 The Resulting Company shall take into account the period during which the eligible Remaining Employees and Transferring Employees held the Demerged Company Stock Options at the time of adoption of the Resulting Company Stock Options (as the case may be), for determining of minimum vesting period required for Resulting Company Stock Options (as the case may be), subject to Applicable Laws.
- 5.6.5 For the purpose of administering ABLBL ESOP Scheme 2019, the Demerged Company Stock Options entitlement (as the case may be) of the respective eligible Remaining Employees and Transferring Employees in the Resulting Company will be administered through the existing employee benefit trust of the Demerged Company in respect of the ABFRL ESOP Scheme 2019 ("Demerged Company ESOP Trust"), provided that the Resulting Company may, if required, set up a new employee benefit trust and take all such actions and execute documentation to give effect to the ABFRL ESOP Scheme 2019 in accordance with the provisions mentioned herein for the benefit of Transferring Employees. The Board of Directors of the Demerged Company may, at its discretion, without any further act or deed, modify the trust deed governing the Demerged Company ESOP Trust to give effect to this Scheme and the provisions of this Clause 5.6.
- 5.6.6 The adoption of the Resulting Company Stock Option Plans, grant of Resulting Company Stock Options (as the case may be) under the Resulting Company Stock Option Plans to the eligible Remaining Employees and Transferring Employees pursuant to this Clause, manner of exercise of Resulting Company Stock Options (as the case may be) and modification of the Demerged Company Stock Option Plans, including setting up of new employee benefit trust by Resulting Company or modification to the trust deed of the Demerged Company ESOP Trust (as the case may be) including appropriate accounting thereof, shall be effected as an integral part of the Scheme. The consent of the shareholders of the Resulting Company and the Demerged Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the Demerged Company Stock Option Plans and Resulting Company Stock Option Plans, as contemplated in this Clause. No further approval of the Board or shareholders of the Demerged




Company or Resulting Company or resolution or action would be required in this connection under any applicable provisions of the Act and/or other Applicable Laws.

6. LEGAL PROCEEDINGS

- 6.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunal proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature (except proceedings under the Income Tax Act) by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 6.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings under the Income Tax Act) initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company shall make relevant applications and take all steps as may be required in this regard.
- 6.3 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income Tax Act), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

7. TAXES/ DUTIES/ CESS

- 7.1 This demerger under Part II of the Scheme complies with the definition of "demerger" as per Section 2(19AA) and other provisions of the Income Tax Act. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the relevant provisions of the Income Tax Act (including the conditions set out therein), at a later date, whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the Demerged Company and the Resulting Company shall discuss in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions..
- 7.2 The accumulated losses and allowance for unabsorbed depreciation of the Demerged Company for the period prior to the Appointed Date shall be apportioned between the Demerged Company and the Resulting Company in accordance with the provisions of Section 72A(4)(b) of the Income Tax Act and shall be allowed to be carried forward and set off in the hands of the respective Parties against their respective profits for the period after the Appointed Date without any specific approval or permission. The benefit in respect of the unutilised Minimum Alternate Tax credit and the carried forward interest



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deduction under Section 94B as on the Appointed Date, if any, in respect of or relating to the Demerged Undertaking shall be carried forward for allowance in the hands of the Resulting Company.

- 7.3 The benefits in respect of all Taxes deducted at source ("TDS"), Taxes collected at source ("TCS"), payments in respect of advance taxes, self-assessment Taxes, Tax on regular assessments made or otherwise recovered by the Appropriate Authorities on or after the Appointed Date in the name and PAN of the Demerged Company but relating to the profits, income or gains of the Demerged Undertaking shall be deemed to be the Taxes deducted, collected, paid, recovered, as the case may be, by or from the Resulting Company and the credit in respect thereof shall be available in the hands of the Resulting Company.
- 7.4 The Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of 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 by the Resulting Company subsequent to the Appointed Date.
- 7.5 The Resulting Company shall be entitled to claim deduction under Section 36(1)(vii) read with Section 36(2) of the Income Tax Act in respect of the debts as on the Appointed Date transferred to it as part of the Demerged Undertaking to the extent they are written off as irrecoverable by the Resulting Company as and when the same are so written off by the Resulting Company subsequent to the Appointed Date.
- 7.6 The Resulting Company shall be entitled to claim deduction under section 40(a) of the Income Tax Act in respect of the expenditure disallowed in the hands of the Demerged Company, if any, under that section prior to the Appointed Date and in respect of which the TDS liability is transferred to the Resulting Company as part of the liabilities of the Demerged undertaking as and when such TDS liability is discharged by the Resulting Company after the Appointed Date.
- 7.7 If the Demerged Company is entitled to any unutilized credits, benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax Law or Applicable Law, the Resulting Company shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company in accordance with Applicable Law.
- 7.8 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise / modify their respective financial statements and returns of income along with prescribed forms, filings, and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.
- 7.9 The Demerged Company shall be liable for any Tax Laws and shall be entitled to any refunds of Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date; and even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 7.10 The Resulting Company shall be liable for any Tax payable to Appropriate Authorities under Tax Laws and shall be entitled to refunds of any Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date.
- 7.11 Any Tax incentives, subsidies, exemptions, special status, Tax benefits (including but not limited to

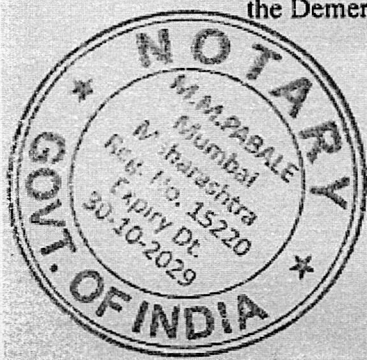


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export incentives, credits/ incentives in respect of income tax, sales tax, GST, turnover tax, excise duty, etc.), unutilized GST credits, duty drawbacks, and other benefits, credits, exemptions or privileges enjoyed, granted by an Appropriate Authority or availed of by the Demerged Company and/or benefits under incentive schemes and policies relating to the Demerged Undertaking shall, without any further act or deed, in so far as they relate to or are available for the operation and activities of the Demerged Undertaking on or after the Appointed Date and to the extent permissible under applicable Tax Laws, vest with and be available to Resulting Company on the same terms and conditions, as if the same had been originally allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company. The Demerged Company and Resulting Company shall take such actions as may be necessary under Applicable Laws to effect such transfers.

- 7.12 Each of the Resulting Company and the Demerged Company shall be entitled to file/ revise /modify its income-tax returns, TDS/TCS certificates, TDS/TCS returns, GST returns and other statutory returns, notwithstanding that the period for filing/ revising such returns may have lapsed and to obtain TDS/TCS certificates, including TDS/TCS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance Tax credits, input Tax credit (if transferable), credits of all Taxes paid/withheld/ collected, if any, to the extent permissible under applicable Tax Laws as may be required consequent to implementation of this Scheme.
- 7.13 If the Demerged Company makes any payment to discharge any liabilities under Tax Laws that are the responsibility of the Resulting Company under Clause 7.10 above, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment. If the Resulting Company makes any payment to discharge any liabilities under Tax Laws that are the responsibility of the Demerged Company under Clause 7.10 above, the Demerged Company shall promptly pay or reimburse the Resulting Company for such payment.
- 7.14 If the Demerged Company receives any refunds under Tax Laws that the Resulting Company is entitled to receive under Clause 7.10 above, the Demerged Company shall promptly pay the Resulting Company the amount of refund so received. If the Resulting Company receives any refunds under Tax Laws that the Demerged Company is entitled to receive under Clause 7.10 above, the Resulting Company shall promptly pay the Demerged Company the amount of refund so received.
- 7.15 All the expenses incurred by Demerged Company and/or the Resulting Company in relation to the Scheme, shall be allowed as deduction to Demerged Company and the Resulting Company in accordance with the relevant provisions of the Income Tax Act.
- 7.16 The benefits and privileges available to the shareholders of the Demerged Company by virtue of their shareholding in the Demerged Company, including on account of being a listed company under the provisions of the Income Tax Act shall continue to be available to the shareholders of the Demerged Company post the effectiveness of the Scheme including those specifically conferred under the respective provisions of the Income Tax Act, allocation of cost of acquisition of shares between the Demerged Company and Resulting Company including grand fathering benefit for the purposes of Section 112A of the Income Tax Act read with Section 55(2)(ac) of the Income Tax Act, period of holding or any other deduction or concession available or conferred by the Income Tax Act or administrative or judicial pronouncements.
- 7.17 After the Appointed Date and upto the Effective Date, any Tax deposited, certificates issued or returns filed by the Demerged Company relating to the Demerged Undertaking shall continue to hold good as if such amounts were deposited, certificates were issued and returns were filed by Resulting Company.
- 7.18 Any actions taken by the Demerged Company to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) in respect of Demerged Undertaking on and from the Appointed Date up to the Effective Date shall be considered as adequate compliance by the Demerged Company with such requirements under Tax Laws and such actions shall be deemed to

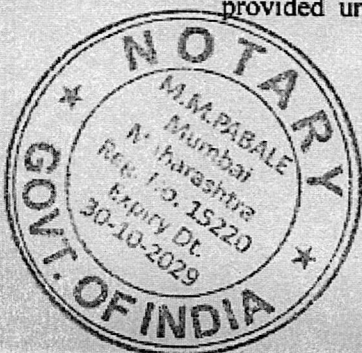



constitute adequate compliance by Resulting Company with the relevant obligations under such Tax Laws.

- 7.19 Upon the Effective Date, all demands, claims, show cause notices, suits, actions, administrative proceedings, tribunal proceedings, Taxes and other related disputes resolution proceedings of whatsoever nature (including proceedings under the applicable GST law, however, excluding any proceedings under the provisions of the Income Tax Act), by or against the Demerged Company, pending on the Effective Date relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against Resulting Company with effect from the Effective Date in the same manner and to the extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 7.20 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and / or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with Resulting Company. However, if the Demerged Company is unable to get Resulting Company replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Board of Resulting Company and such cost shall be borne by Resulting Company and the latter shall reimburse the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

8. CONSIDERATION

- 8.1 The consideration for the demerger of the Demerged Undertaking shall be the issue by the Resulting Company of 1 (one) fully paid-up equity share of the Resulting Company having face value of Rs 10 (Rupees Ten) each for every 1 (one) fully paid-up equity share of Rs 10 (Rupees Ten) each of the Demerged Company ("Resulting Company New Equity Shares").
- 8.2 Upon coming into effect of the Scheme and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument, issue and allot the Resulting Company New Equity Share(s) to the equity shareholders of the Demerged Company who hold fully paid-up equity shares of the Demerged Company and whose names are recorded in the register of members and/ or records of the depository on the Record Date.
- 8.3 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, including with respect to dividend, bonus, rights shares and voting rights attached to the Resulting Company New Equity Shares.
- 8.4 The Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. All those equity shareholders who hold shares of the Demerged Company in physical form shall receive the Resulting Company New Equity Shares in dematerialized form only, provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, the Resulting Company shall keep such shares in abeyance / escrow account / with a trustee nominated by the Board of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant



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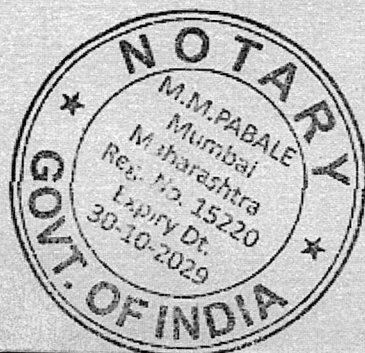
accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company and/or its registrar, if permitted under Applicable Law.

- 8.5 The Resulting Company New Equity Shares to be issued by the Resulting Company, pursuant to Clause 8 in respect of any shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of Tribunal or any court or otherwise, be held in abeyance by the Resulting Company or shall be dealt with as provided under the Applicable Law.
- 8.6 The issue and allotment of the Resulting Company New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly 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 Resulting Company New Equity Shares under applicable provisions of the Act.
- 8.7 The Resulting Company New Equity Shares to be issued by the Resulting Company in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company.
- 8.8 In the event the Demerged 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 set out in Clause 8.1 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.
- 8.9 Notwithstanding anything to the contrary contained in this Scheme, the Demerged Company shall be able to raise capital (by issue of shares on rights basis or preferential basis, issue of convertible instruments or otherwise) as they may deem fit for their business requirements from time to time during the period between the approval of the Scheme by the Board of the Demerged Company and the Board of the Resulting Company and the Effective Date. There shall be no change in the share entitlement ratio set out in Clause 8.1 on account of such capital raise.
- 8.10 Upon the Scheme becoming effective but prior to the issue of the Resulting Company New Equity Shares, the authorised share capital of the Resulting Company shall stand altered and increased, without any further act, instrument or deed on the part of the Resulting Company as under:

Authorised Share Capital	
2,00,00,00,000 equity shares of INR 10 each	20,00,00,00,000
5,55,000 preference shares of INR 10 each	55,50,000
Total	20,00,55,50,000

- 8.11 Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended and be replaced by the following clause:

"The Authorised Share Capital of the Company is ₹ 20,00,55,50,000/- (Rupees Two Thousand Crores and Fifty Five Lakhs Fifty Thousand only) consisting of 2,00,00,00,000 (Two Hundred Crore) equity shares of ₹ 10/- (Rupees Ten only) each and 5,55,000 (Five Lakh Fifty Five Thousand) preference shares of Rs. 10/- each, with a power to increase or reduce the capital of the Company in accordance with the provisions of the Companies Act, 2013 and to classify or reclassify the share capital."



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- 8.12 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 alteration of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company shall pay the requisite stamp duty and RoC fees and shall file the required returns/ information/ amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.
- 8.13 The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Schemes Master Circular and other relevant provisions as may be applicable. The Resulting Company New Equity Shares allotted by the Resulting Company in terms of Clause 8.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 8.14 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

9. ACCOUNTING TREATMENT

9.1 In the books of the Demerged Company

9.1.1 Notwithstanding anything to the contrary contained herein, the Demerged Company shall give effect to the demerger of the Demerged Undertaking in accordance with the accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as notified under Section 133 of the Act ("Ind AS"), as amended and on the date as determined under Ind AS. The accounting in the books of the Demerged Company is as follows:

- 9.1.1.1 The Demerged Company shall derecognise from its books of accounts, the carrying amount of assets and liabilities pertaining to the Demerged Undertaking;
- 9.1.1.2 The excess of the carrying amount of assets transferred over the carrying amount of liabilities transferred shall be debited to appropriate reserve within equity; and
- 9.1.1.3 The Demerged Company shall derecognise the carrying amount of investments in the Resulting Company cancelled pursuant to the Scheme.

9.2 In the books of the Resulting Company

9.2.1 Notwithstanding anything to the contrary contained herein, the Resulting Company shall account for the acquisition of the Demerged Undertaking in its books of accounts by applying the principles prescribed in Indian Accounting Standard 103, Business Combinations, Appendix C - Business combinations of entities under common control and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as notified under Section 133 of the Companies Act, 2013 and on the date determined in accordance with Ind AS. The Resulting Company shall account for acquisition of Demerged Undertaking as follows:

- 9.2.1.1 Resulting Company shall recognise the assets and liabilities of the Demerged Undertaking, at their respective carrying amounts as appearing in the books of the Demerged Company;
- 9.2.1.2 The Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the shares issued by the Resulting Company to the Demerged Company for cancelled shares and credit capital reserve for the same



amount;

9.2.1.3 The difference, if any, between the carrying amount of the net assets of the Demerged Undertaking acquired and the aggregate face value of the shares issued to the shareholders of the Demerged Company shall be adjusted to capital reserve;

9.2.1.4 The financial statements of the Resulting Company shall be restated in accordance with the requirements of Appendix C of Ind AS 103; and

9.3 Any matter not dealt with in this Clause 9 hereinabove shall be dealt with in accordance with the applicable Ind AS.

10. REDUCTION AND CANCELLATION OF ENTIRE PRE-SCHEME SHARE CAPITAL OF THE RESULTING COMPANY

10.1 Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company shall stand cancelled and reduced, without any consideration and without any further act, instrument or deed, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme and the Parties shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately. The aforesaid reduction of capital does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

10.2 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 reduction of the share capital of the Resulting Company under applicable provisions of the Act.

10.3 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

11. REMAINING BUSINESS OF THE DEMERGED COMPANY

11.1 The Remaining Business of the Demerged Company shall continue to belong to and be owned and managed by the Demerged Company. The Demerged Company shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.

11.2 If the Resulting Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Company shall take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to replace the Demerged Company in such proceedings, the Resulting Company shall defend the same or deal with such demand at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

12. AMENDMENT TO ARTICLES OF ASSOCIATION OF THE RESULTING COMPANY

12.1 The articles of association of the Resulting Company, if required, shall stand amended and restated to comply with the provisions required for listed company.

12.2 The amendments pursuant to this Clause 12 shall become operative upon the effectiveness of the Scheme by virtue of the fact that the shareholders of the Resulting Company, while approving the



Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the articles of association of the Resulting Company and shall not be required to pass separate resolutions under Section 14 or any other applicable provisions of the Act.

13. VALIDITY OF EXISTING RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions, if any, passed by the Demerged Company relating to the Demerged Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions passed by the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in the Resulting Company.

PART III

GENERAL TERMS AND CONDITIONS

14. WRONG POCKET ASSETS

14.1 Subject to Clause 15 and unless otherwise specified in the terms of the Scheme, no part of the Demerged Undertaking, shall be retained by the Demerged Company after the Effective Date pursuant to the Scheme. If any part of any of the Demerged Undertaking is inadvertently not transferred to the Resulting Company on the Effective Date pursuant to the Scheme, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the relevant Demerged Undertaking, as the case may be, is transferred to the Resulting Company promptly and for no further consideration, and without any Tax implications. The Demerged Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company, for giving effect to this Clause.

14.2 No part of the Remaining Business of the Demerged Company shall be transferred to the Resulting Company pursuant to the Scheme. If any part of the Remaining Business of the Demerged Company is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business of the Demerged Company is transferred back to the Demerged Company, promptly and for no consideration, and without any Tax implications. The Resulting Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company for giving effect to this Clause.

14.3 If the Demerged Company realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Undertaking and shall be paid to the Resulting Company for no additional consideration, and without any Tax implications. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Remaining Business of the Demerged Company, the Resulting Company shall immediately pay such amounts to the Demerged Company. Similarly, if the Demerged Company discharges any Demerged Liability after the Effective Date, the Resulting Company shall make payment of such amounts to the Demerged Company.

15. RESIDUAL PROVISIONS

15.1 Notwithstanding anything contained in this Scheme, on or after the Effective Date, as the case may be, until any property, asset, Permits and rights and benefits arising therefrom pertaining to the Demerged Undertaking is transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, the



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Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the Permit as if it were the owner of the property or asset or as if it were the original party to the Permit. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Parties, the Demerged Company will continue to hold the property and/or the asset, Permit and rights and benefits arising therefrom, in trust for and on behalf of the Resulting Company.

15.2 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or relating to such assets) or any contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to or vested in the Resulting Company for any reason whatsoever:

15.2.1 The Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as their transfer or vesting in the Resulting Company is effected;

15.2.2 The Demerged Company and the Resulting Company shall, however, between themselves, treat each other as if all contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking had been transferred to the Resulting Company on the Effective Date; and

15.2.3 The Resulting Company shall perform or assist the Demerged Company in performing all of the obligations under those contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date.

15.2.4 It is clarified that the Demerged Company and the Resulting Company may enter into contracts or arrangements, as may be required to give effect to the provisions of this Clause 15.1 and that any such transfer under the provisions hereof shall be deemed to be with effect from the Appointed Date as an integral part of the Scheme.

15.2.5 The mechanism or arrangement between the Demerged Company and Resulting Company, pursuant to this Clause, after the Effective Date, shall be based on the following principles (i) the Demerged Company shall not be responsible for performance of any obligations or for any Demerged Liabilities and shall not be entitled to any rights or to receive any benefits whatsoever in relation to the Demerged Undertaking; (ii) the rights and liabilities in connection with the Demerged Undertaking, shall rest and be borne entirely and exclusively by Resulting Company, in each case, subject to any specific agreement executed by the Parties in accordance with Clause 16 below.

16. ADDITIONAL ARRANGEMENTS

16.1 The MFL Business has various inter-dependencies with the Remaining Business of the Demerged Company for which appropriate contracts / arrangements will be entered into between the Demerged Company and the Resulting Company prior to Effective Date, including *inter alia* for sharing of infrastructural facilities, usage of assets (whether moveable or immoveable) including intellectual property and services relating to information technology, legal, administrative, accounting, tax, treasury amongst others.

16.2 The Demerged Company has certain existing arrangements with certain third parties, which are important for the efficient functioning of the Resulting Company. These arrangements will be continued with the Resulting Company and the Resulting Company may enter into appropriate arrangements with the Demerged Company or such third parties for continuity of such arrangements.



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- 16.3 The approval of this Scheme by the shareholders of the Resulting Company and the Demerged Company shall be deemed to constitute due compliance with Section 188 and any other applicable provisions of the Act, Regulation 23 and any other applicable provision of the SEBI LODR Regulations and the articles of association of the Resulting Company and the Demerged Company for the purposes of this Clause 16, and no further action under the Act, the SEBI LODR Regulations or the articles of association of the Resulting Company and the Demerged Company shall be separately required.

17. BUSINESS UNTIL THE EFFECTIVE DATE

- 17.1 With effect from the date of approval of this Scheme by the respective Boards of the Parties and up to and including the Effective Date:

17.1.1 The Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto; and

17.1.2 The Parties (with respect to the Demerged Undertaking) shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such Permits which the Resulting Company may require to carry on the MFL Business and to give effect to this Scheme.

- 17.2 With effect from the Appointed Date and up to and including the Effective Date:

17.2.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities of the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets of the Demerged Undertaking for and on account of, and in trust for the Resulting Company;

17.2.2 All profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all Taxes paid thereon (including but not limited to advance tax, tax deducted or collected at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, as the case may be, of the Resulting Company;

17.2.3 All loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking, 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 and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company; and

17.2.4 The Parties shall be entitled, pending the sanction of the Scheme, as may be mutually agreed between them, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such Permits which the Resulting Company may require to carry on the MFL Business of the Demerged Company and to give effect to the Scheme.

18. APPLICATIONS/PETITIONS TO THE TRIBUNAL

The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

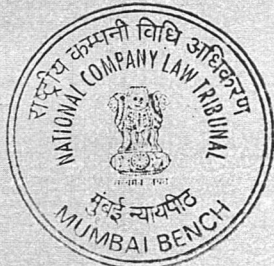
19. MODIFICATION OR AMENDMENTS TO THIS SCHEME



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- 19.1 The Board of Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 19.2 For the purposes of giving effect to this Scheme or to any modification hereof, the Board of the Demerged Company or the Board of the Resulting Company, acting jointly or individually, as may be relevant, (i) give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on the Resulting Company as if the same were specifically incorporated in this Scheme, (ii) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.
- 20. CONDITIONS PRECEDENT**
- 20.1 This Scheme is conditional upon and subject to the following conditions precedent:
- 20.1.1 The Stock Exchanges having issued their observation / no-objection letters as required under the SEBI LODR Regulations read with the SEBI Schemes Master Circular and the SEBI Debt Circular;
- 20.1.2 This Scheme being approved by the respective requisite majorities of the various classes of (a) creditors (where applicable) of the Demerged Company and the Demerged Company Members; and (b) members and creditors (where applicable) of the Resulting Company, as required under the Act, subject to any dispensation of holding and convening meetings of members and creditors, that may be granted by the Tribunal;
- 20.1.3 the fulfilment, satisfaction or waiver (as the case may be) of any approvals or conditions mutually agreed by the Parties as required for completion of transactions contemplated under this Scheme;
- 20.1.4 Sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act and receipt of certified copy of the Sanction Order; and
- 20.1.5 The certified copy of the Sanction Order having been filed by the Parties with the RoC.
- 20.2 The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 20.1 above are satisfied (or to the extent permissible under Applicable Law, waived by the Demerged Company) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred inter se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other Person.
- 20.3 On the approval of this Scheme by the shareholders of the Parties and such other classes of persons relating to the Parties, if any, such shareholders and classes of persons, shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI LODR Regulations or otherwise, to the same extent applicable to all the matters related to or arising pursuant to the Scheme and this Scheme itself.
- 21. WITHDRAWAL OF THIS SCHEME**
- 21.1 The Demerged Company and the Resulting Company, acting jointly, shall be at liberty to withdraw the Scheme, as may be mutually agreed by the respective Boards of the Parties at any time before the Effective Date. In the event of withdrawal, no rights and liabilities whatsoever shall accrue to or be incurred by the respective Parties or their shareholders or creditors or employees or any other Person. In such case, each of the Parties shall bear its own costs and expenses or as may be otherwise mutually agreed.




22. IMPACT OF THE SCHEME ON HOLDERS OF DEMERGED COMPANY NCDs

- 22.1 Pursuant to this Scheme, there will be no change in terms and conditions of the Demerged Company NCDs. Details of the Demerged Company NCDs listed on BSE are set out in Schedule A. Transferring NCDs as set out in Schedule A hereto, form part of the Demerged Undertaking and will be transferred to the Resulting Company pursuant to this Scheme.
- 22.2 Safeguards for the protection of holders of NCDs of the Parties: Pursuant to the Scheme, the holders of Transferring NCDs as on the Effective Date will be transferred to the Resulting Company on same terms, including the coupon rate, tenure, redemption price, quantum, ranking nature of security, etc. Further, the holders of Retained NCDs as on the Effective Date will continue to hold NCDs of the Demerged Company, without any interruption, on same terms, including the coupon rate, tenure, redemption price, quantum, and nature of security, ISIN, etc..
- 22.3 The Demerged Company NCDs, as on the Effective Date, will continue to be freely tradable and listed on BSE, thereby providing exit option and liquidity to the holders of such NCDs.
- 22.4 In view of the provisions of this Clause 22 above, the Scheme will not have any adverse impact on the holders of the Demerged Company NCDs.

23. COSTS AND EXPENSES

All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the Demerged Undertaking in the Resulting Company, in pursuance of this Scheme including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne and paid as mutually agreed between the Boards of the Parties.

24. SEVERABILITY

- 24.1 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to, only if the Scheme is approved in its entirety and given effect to in accordance with the terms of the Scheme, except to the extent that the Parties may otherwise agree in writing.
- 24.2 Subject to Clause 24.1 above, if any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to the Parties, in which case the Parties, acting through their respective Boards, shall attempt to bring about a modification in this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

25. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company in relation to the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company shall accept and adopt 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.




SCHEDULE A
DETAILS OF DEMERGED COMPANY NCDs

	NCD 1	NCD 2	NCD 3
ISIN	INE647O08107	INE647O08115	INE647O08123
Face Value (INR)	10,00,000	1,00,000	1,00,000
Dividend / Coupon	Coupon	Coupon	Coupon
Terms of payment of dividends/ coupon including frequency, etc.	Annual Coupon with the coupon rate of 5.80%	Annual Coupon with the coupon rate of 7.80%	Annual Coupon with the coupon rate of 7.57%
Credit Rating	AA/Stable	AA/Positive	AA+/Stable
Tenure / Maturity	3 years	3 years	7 years
The terms of redemption	Interest to be paid annually and principle payable at maturity	Interest to be paid annually and principle payable at maturity	Interest to be paid annually and principle payable in 3 annual instalments at the end of 5 th , 6 th and 7 th year
Amount of redemption	INR 4,00,00,00,000 (Indian Rupees Four Hundred Crores Only)	INR 5,00,00,00,000 (Indian Rupees Five Hundred Crores Only)	INR 7,50,00,00,000 (Indian Rupees Seven Hundred Fifty Crores Only)
Date of redemption	09 September 2024	30 January 2026	12 September 2030
Redemption premium/ discount	NA	NA	NA
Early redemption scenarios, if any	Yes, in case the credit rating is downgraded to A	Yes, in case the credit rating is downgraded to A	Yes, in case the credit rating is downgraded to A+ or below
Other embedded features (put option, call option, dates, notification times, etc.)	NA	NA	NA
Other terms of instruments	As per Private Placement Offer letter dated September 6, 2021 and Debenture Trust Deed dated September 14, 2021	As per Private Placement Offer letter dated January 24, 2023 and Debenture Trust Deed dated January 31, 2023	As per Private Placement Offer letter dated September 11, 2023 and Debenture Trust Deed dated September 7, 2023
Latest audited financials along with notes to	https://www.abfml.com/		




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	NCD 1	NCD 2	NCD 3
accounts and any audit qualifications			
Fairness Report	https://www.abfml.com/		
An auditors' certificate certifying the payment / repayment capability of the resulting entity	NA	https://www.abfml.com/	NA
Any other information/details pertinent for holders of NCDs	As per Private Placement Offer letter dated September 6, 2021 and Debenture Trust Deed dated September 14, 2021	As per Private Placement Offer letter dated January 24, 2023 and Debenture Trust Deed dated January 31, 2023	As per Private Placement Offer letter dated September 11, 2023 and Debenture Trust Deed dated September 7, 2023
Name of debenture trustee	Axis Trustee Services Limited	Axis Trustee Services Limited	Axis Trustee Services Limited



[Handwritten signature]



Certified True Copy _____
 Date of Application 28/03/2025
 Number of Pages 29
 Fee Paid Rs. 145/-
 Applicant called for collection copy on 22/04/2025
 Copy prepared on 22/04/2025
 Copy Issued on 22/04/2025

[Handwritten signature: P. Singh] 22/4/25