



COMPOSITE SCHEME OF ARRANGEMENT

AMONGST

**J M BAXI PORTS & LOGISTICS PRIVATE LIMITED
("J M BAXI" OR "DEMERGED COMPANY")**

AND

**J M BAXI CONTAINER HOLDINGS PRIVATE LIMITED
("J M BAXI CONTAINER" OR "RESULTING COMPANY 1")**

AND

**J M BAXI PORTS SERVICES PRIVATE LIMITED
("J M BAXI DEV CO" OR "RESULTING COMPANY 2")**

AND

**THEIR RESPECTIVE SHAREHOLDERS
(UNDER SECTION 230 TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013)**



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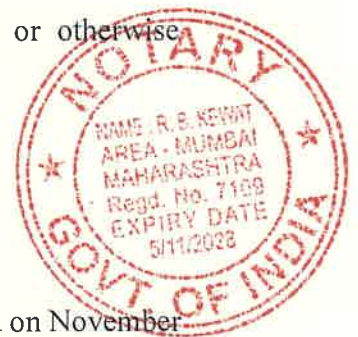
A. PREAMBLE

1. This Composite Scheme of Arrangement (“**the Scheme**” as more particularly defined hereunder) is presented under Sections 230 to 232 and other applicable provisions of the Act (*as defined below*) provides for:
 - 1.1 Demerger of Demerged Undertaking 1 (*defined in Clause 1.11*) of J M Baxi Ports & Logistics Private Limited (“**J M Baxi**” or “**Demerged Company**”) into J M Baxi Container Holdings Private Limited (“**J M Baxi Container**” or “**Resulting Company 1**”),
 - 1.2 Demerger of the Demerged Undertaking 2 (*defined in Clause 1.12*) of J M Baxi into J M Baxi Ports Services Private Limited (“**J M Baxi Dev Co**” or “**Resulting Company 2**”),
2. J M Baxi, J M Baxi Container and J M Baxi Dev Co are collectively referred to as “**Companies**” and individually as “**Company**”.
3. Further J M Baxi Container and J M Baxi Dev Co are collectively referred to as “**Resulting Companies**”.
4. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B. BACKGROUND

1. Demerged Company

- 1.1 J M Baxi is a private limited company which was originally incorporated on November 6, 1947, under the name United Liner Agencies of India Private Limited under the provisions of the Indian Companies Act, 1913, having CIN: U63090MH1947PTC251291 and having its registered office at Calcutta. Subsequently, the registered office of the Demerged Company was shifted from the State of West Bengal to Maharashtra *vide* an order of the Regional Director, ER, Kolkata, Eastern Region, Kolkata dated November 18, 2013. The name of the Demerged Company was changed from United Liner Agencies of India Private Limited to International Cargo Terminals and Infrastructure Private Limited with effect from May 19, 2015. The name of the Demerged Company was further changed from International Cargo Terminals and Infrastructure Private Limited to J M Baxi Ports & Logistics Private Limited with



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effect from September 15, 2021. The Demerged Company was subsequently converted into a public limited company *vide* approval of the Central Government dated November 1, 2021. Further, the Demerged Company was subsequently re-converted into a private limited company *vide* approval of the Central Government dated July 26, 2023. At present, the Demerged Company is having its registered office at Godrej Coliseum, Office No.801, C-Wing, Behind Everard Nagar, Off Somaiya Hospital Road, Sion East, Mumbai – 400022.

J M Baxi is engaged in the ports and logistics business directly and indirectly through investments in special purpose vehicles. The business activities of J M Baxi comprise of projects awarded pursuant to the concession / license agreements under the public-private-partnership model entered between the concessioning authorities / competent authorities and the special purpose companies with J M Baxi as the applicant / selected bidder (either by itself or as a member of a consortium). Some of these bid documents and concession agreements for these projects specifically require J M Baxi to incorporate the concessionaire as a special purpose company under the Act in India, to implement, operate and maintain the project / project facilities and services in accordance with the respective concession agreements / licenses and underlying bid documents. The Demerged Company has, accordingly, incorporated special purpose companies in India, as required, basis the terms of the respective concession agreements / licenses and underlying bid documents.

1.2 The Demerged Company is engaged in broadly 3 categories of businesses:

- 1.2.1 Container Business (either through itself or through the special purpose vehicles),
- 1.2.2 Non-Container Business (either through itself or through the special purpose vehicles), and
- 1.2.3 Corporate Services Business.

1.3 **Container Business:**

Container Business means the container handling and terminal services (including Container Permitted Multi-Purpose Terminals but excluding NC Permitted Multi-Purpose Terminals), inland container depot services, containerized freight station operations, containerized rail freight services and related value added services (i.e., stuffing, de-stuffing, pre inspection, hatch cover, restow, priority discharge, custom examination, stacking, destacking, etc.)



The Container Business of the Demerged Company comprises of:

- 1.3.1 Container Freight Station Business: The Demerged Company operates the customs-notified container freight station on land leased from CIDCO in Dronagiri, Navi Mumbai and the premise is used for import export container operations, warehouse operations (cargo storage, stuffing and de-stuffing of containers), bonding operations, hazardous container handling, buffer / on wheel and reefer container operations. Further, the Demerged Company also operates cold store warehouse, bonded warehouse, reefer operations, bonded cold storage, etc. on owned land at Nhava Sheva.
- 1.3.2 Container Train Operations Business: The Demerged Company is one of the first private rail operators in India and has a Category 3 license from Indian Railways allowing it to offer EXIM services from locations of Pipavav, Mundra, Chennai/Ennore, Visakhapatnam and Kochi ports, their hinterland and domestic services across India. It operates 20 owned rakes and 4 leased rakes, linking hinterland with gateway ports, commercial & trade centers and provides logistics support for containerized cargo.
- 1.3.3 Business of container handling and terminal services (including Container Permitted Multi-Purpose Terminals but excluding NC Permitted Multi-Purpose Terminals), inland container depot services, container freight station operations and containerized rail freight services through projects awarded under concession/license agreements entered between the concessioning authorities / competent authorities and special purpose companies incorporated by the Demerged Company. The list of the special purpose companies who have executed these concession / license agreements with concessioning authorities / competent authorities are as follows:

- a. Kandla International Container Terminal Private Limited (“**KICT**”):

KICT has entered into a concession agreement dated February 29, 2016, with the Board of Trustees for Deendayal Port Authority (Erstwhile Kandla Port Trust) to provide for development, operation and maintenance of container terminal at Berths No. 11 and 12 at Kandla port on public private partnership (“**PPP**”) mode.

- b. Haldia International Container Terminal Private Limited (“**HICT**”):

HICT has entered into an agreement dated October 14, 2015, with the Board of Trustees of Kolkata Haldia Dock Complex for integrated container handling



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operations at Haldia port. It also provides container handling services for shipping lines and vessel operators on behalf of the Haldia Dock Complex.

c. Delhi International Cargo Terminal Private Limited (“**DICT**”):

DICT operates as an inland container depot and multi-user logistics park that is located at Sonapat, off the NH-1 on the cargo route to India. The operations include handling of containerised cargo arriving and departing by railway or by road, stuffing, de-stuffing of containers, warehouse, cold chain warehouse, customs examination and clearance facility, etc.

d. Visakha Container Terminal Private Limited (“**VCT**”):

VCT has entered into a concession agreement dated December 17, 2014, with the Board of Trustees for Visakhapatnam Port for extension of existing container terminal at Visakhapatnam Port Trust on Design, Build, Finance, Operate and Transfer (“**DBFOT**”) basis; along with the License Agreement dated September 11, 2002, for establishment of Container Terminal at Visakhapatnam Port Trust on Build, Operate and Transfer basis, and lease agreement dated October 30, 2015. It provides container handling facilities for container ships, berthing facilities for non-container ships visiting the terminal and renders all related support services. It also operates a container freight station located at EXIM park, Malkapuram, Visakhapatnam. It provides services relating to cargo handling, stuffing, de-stuffing, storage, etc.

e. Nhava Sheva Freeport Terminal Private Limited (“**NSFT**”):

NSFT is a 50:50 joint venture with CMA CGM Terminals. NSFT has entered into a concession agreement dated July 29, 2022, with the Jawaharlal Nehru Port Authority for upgradation, operation, maintenance and transfer of Jawaharlal Nehru Port Container Terminal on PPP Basis.

f. Tuticorin International Container Terminal Private Limited (“**TICT**”):

TICT has entered into a concession agreement dated September 3, 2022, with the Board of Authority of V. O. Chidambaram Port for conversion of Berth – IX as container terminal on DBFOT basis at Tuticorin Port.

1.4 **Non-Container Business:**



Non-Container Business means non-container terminal services (including NC Permitted Multi-Purpose Terminals but excluding Container Permitted Multi-Purpose Terminals), marine services (e.g., towage, piloting, underwater technical services), over-dimensional cargo services (including project cargo where the containerised element is not material), multi-modal logistic parks services, non-container marine operations (e.g., coastal feeders), bulk terminal business and non-containerised cold chain business, logistic-related value added services (i.e., freight forwarding, customs clearance, warehousing and distribution services, transport management, port handling, etc.), cruise terminal management and services, but excluding business within the scope of the Container Business.

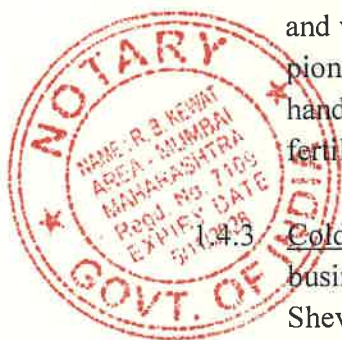
The Non-Container Business of the Demerged Company comprises of:

1.4.1 Rozi Business: The Demerged Company has entered into an agreement with the Gujarat Maritime Board for the construction of jetty / wharf at Jamnagar for the purpose of handling & transportation of material from / into ships nominated by the licensee.

1.4.2 Bulk Logistics Business: The Demerged Company is one of India's largest dry bulk and breakbulk logistics and supply chain providers, delivering to its customers with on time and value-added services in port, maritime and inland logistics. The bulk business has pioneered a range of inland and port related activities by providing comprehensive port handling, transport and logistics services for the complete range of commodities like fertilizers, sugar, food grains, steel, aluminium, minerals and others.

1.4.3 Cold Chain Logistics Business: The Demerged Company operates the cold chain business through a cold storage facility at Sonapat and through owned space at Nhava Sheva. It provides cold chain storage (General & Custom Bonded) and transportation services for agricultural produce (seeds, fruits and vegetables, fresh horticulture and floriculture products), dairy products, meat and poultry, marine products, organized retail goods, pharmaceuticals, chemicals, processed and frozen foods and any other products that may require temperature-controlled warehousing and/or transportation services.

1.4.4 Business of non-container terminal services, over-dimensional cargo services (including project cargo where the containerised element is not material), bulk terminal business and non-containerised cold chain business, logistics value-added services (e.g., freight forwarding, customs clearance, warehousing and distribution services, transport management, port handling, value added services), cruise terminal



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management and services through projects awarded pursuant to the concession/license agreements entered between the concessioning authorities / competent authorities and special purpose companies incorporated by the Demerged Company. The list of the special purpose companies who have executed these concession / license agreements with concessioning authorities / competent authorities are as follows:

a. Paradip International Cargo Terminal Private Limited (“**PICT**”):

PICT has executed a concession agreement dated March 7, 2015, with the Board of Trustees of Paradip Port Trust, for development of multipurpose berth to handle clean cargo including containers at Paradip Port on a build operate transfer model.

b. J M Baxi Heavy Private Limited (“**JMBH**”):

JMBH provides multimodal transportation of heavy and over dimensional cargo. It specializes in managing end-to-end project logistics, from planning to the movement of project cargo, over-dimensional cargo, overweight consignments on a turnkey and door-to-door basis, route surveys, barging and in-house engineering design and calculations. It is also involved in project freight forwarding and freight management whereby it provides delivery-at-place services, relocation service, delivery of cargo across the world, customs clearance and cargo track and trace.

c. J M Baxi Cool Private Limited (“**JMB Cool**”):

JMB Cool has been incorporated for the purpose of carrying on the business of cold chain operations.

d. Nhava Sheva Distribution Terminal Private Limited (“**NSDT**”):

NSDT entered into a concession agreement, dated November 15, 2022, with the board of trustees of the Jawaharlal Nehru Port Authority for upgradation, equipping, operation, maintenance and transfer of shallow water berth facility and newly constructed coastal berth through PPP mode.

e. Vizag Multipurpose Terminal Private Limited (“**VMT**”):



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VMT is a 50:50 joint venture with Indian Potash Limited. VMT has entered into a concession agreement dated March 10, 2023, with Vishakhapatnam Port Authority for mechanization of EQ-7 Berth through PPP mode on DBFOT basis.

f. Ballard Pier Private Limited (“BP”):

BP entered into a concession agreement dated January 22, 2022, with the Board of Trustees for the Port of Mumbai to develop, operate and maintain the Mumbai International Cruise Terminal at Indira Dock on DBFOT and PPP basis.

1.5 **Corporate Services Business:**

The Demerged Company is also engaged in the business of providing management support services and third-party services to its business divisions, associated companies and subsidiaries. These activities include assisting in the formulation and execution of business development strategies, market analysis, and the preparation of bids for projects in accordance with concessioning and governmental agreements; engaging with appropriate authorities; planning, executing, controlling, monitoring projects; providing assistance to negotiate commercial arrangements / agreements and managing interactions with third parties; offering guidance on human resource management, project performance management, human resource management, industrial relations, and operational protocols for terminal, crane and yard management; providing budgeting for business plans, corporate finance, project finance, and treasury management strategies; identifying and shortlisting business opportunities, supporting credit rating assessments, litigation management services, and investor presentations to raise capital; providing information technology services; providing training services; managing shared administrative functions and aiding in the performance management of projects and contract management, including procurement of regulatory advisory and consultancy services for the subsidiary companies.

2. **J M Baxi Container or Resulting Company 1**

J M Baxi Container is a private limited company incorporated on June 21, 2023, under the Act, with Corporate Identification Number U52242MH2023PTC405195 and having its registered office at Godrej Coliseum, Office No.801, C-Wing, Behind Everard Nagar, Off Somaiya Hospital Road, Sion East, Mumbai – 400022. J M Baxi Container is a wholly owned subsidiary of J M Baxi and is incorporated *inter alia* for the purpose of carrying on the Container Business.



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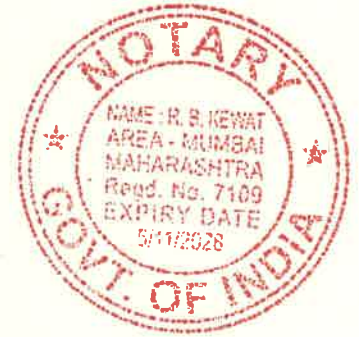


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3. J M Baxi Dev Co or Resulting Company 2

J M Baxi Dev Co is a private limited company incorporated on July 3, 2023, under the Act, with Corporate Identification Number: U52242MH2023PTC405765 and having its registered office at Godrej Coliseum, Office No.801, C-Wing, Behind Everard Nagar, Off Somaiya Hospital Road, Sion East, Mumbai – 400022. The name of the Resulting Company 2 was changed from J M Baxi Cargo Holdings Private Limited to J M Baxi Ports Services Private Limited with effect from May 31, 2024. J M Baxi Dev Co is a wholly owned subsidiary of J M Baxi and is proposed to carry on the Corporate Services Business.

C. RATIONALE

The Demerged Company is *inter alia* engaged in Container Business, Non-Container Business and Corporate Services Business. The management believes that the risk and reward associated with each of the aforesaid businesses are different with different stakeholders. As part of restructuring of its businesses and with a view to achieve strategic independence of its business verticals (unlocking the potential of each of the businesses) and to leverage the expertise of its strategic investor, the management of the Demerged Company proposes to (i) demerge the Demerged Undertaking 1, on a going concern basis, into J M Baxi Container; and (ii) demerge the Demerged Undertaking 2, on a going concern basis, into J M Baxi Dev Co. Further, the Demerged Company shall continue to be engaged in the Non-Container Business. The management believes that the proposed segregation of business shall benefit all stakeholders of the Companies and also result in the following benefits:

1. The Demerged Undertakings have achieved scale and experience to sustain business based on their own strengths. Additionally, these businesses deal with different sets of industry dynamics in the form of nature of risks, competition, challenges, opportunities and business methods. Hence, the segregation of the Identified Container Business and Corporate Services Business would enable focused management and enable exploring the potential business opportunities more effectively and efficiently.
2. The Demerger will enable both Demerged Company and the Resulting Companies to enhance business operations by streamlining operations, cutting costs, more efficient management control and outlining independent growth strategies.
3. The Demerger will allow the management to devise, implement and pursue independent business strategies for the Identified Container Business, Non-Container Business and





Corporate Services Business which will enable wider scope for independent collaboration, investment opportunities and expansion.

4. The Resulting Company 1, with clear identity of being in the Identified Container Business will enable right customer attention resulting in deeper market penetration.
5. The Resulting Company 2, with clear identity of being in the Corporate Services Business, will enable to drive overall strategy, manage bidding for new and performance of existing businesses.
6. Ability to leverage financial and operational resources in each business will lead to possibilities of joint ventures and associations with other industry participants, both in India and globally, and will facilitate attracting greater talent pool.
7. Each business will be able to address independent business opportunities with efficient capital allocation and attract different set of investors, strategic partners, lenders and other stakeholders, thus leading to enhanced value creation, which is in the best interest of the Demerged Company and Resulting Companies and their respective stakeholders.

In view of the aforesaid, the Board of Directors of the Companies have considered and proposed this Scheme and matters incidental thereto pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act.

D. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. Part I deals with Definitions, Interpretations and Share Capital.
2. Part II deals with the demerger of the Demerged Undertaking 1 from Demerged Company into the Resulting Company 1.
3. Part III deals with the demerger of the Demerged Undertaking 2 from Demerged Company into the Resulting Company 2.
4. Part IV deals with the (i) adjustment to the securities premium account of the Demerged Company; and (ii) general terms and conditions applicable to the Scheme and other matters consequential and integrally connected thereto.



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

E. NO ARRANGEMENT WITH CREDITORS

Under the proposed Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and / or unsecured creditors of the Companies. The liability towards the creditors of Demerged Company (relating to the Demerged Undertakings) is neither being reduced nor being extinguished but shall be assumed and discharged by the Resulting Companies, respectively in their ordinary course of business.

F. PART I – DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

- 1.1 “**Act**” means the Companies Act, 2013 and the rules and regulations made thereunder and shall include any statutory modification, amendments, or re-enactment thereof for the time being in force.
- 1.2 “**Appointed Date**” means the Effective Date, or such other date as may be approved by the National Company Law Tribunal or such other competent authority / Appropriate Authority.
- 1.3 “**Applicable Law**” means any applicable statute, law, regulation, ordinance, rule, judgement, order, decree, clearance, approval, directive, guideline, requirement, or any similar form of determination by or decision of any Appropriate Authority, that is binding or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Board of the Companies or at any time thereafter.
- 1.4 “**Appropriate Authority**” means any national, state, provincial, local, municipal, district or other sub-division, or similar governmental, quasi-governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorised to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or arbitral body having jurisdiction or any non-governmental regulatory or administrative authority, body or other organisation 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, including any port authority, railway authority, customs authority, the Registrar of Companies, Regional Director, Company Law Board, Competition Commission of India, Reserve Bank of India, National Company Law Tribunal, concessioning authorities and such other sectoral regulators or authorities as may be applicable.

- 1.5 **“Board of Directors”** or **“Board”** in relation to a Company, means the board of directors of such Company, and shall include a committee of directors, or any other person duly authorised by such board of directors or such committee of directors for the purpose of this Scheme.
- 1.6 **“Container Business”** shall have the meaning as defined in Clause B.1.3 of this Scheme.
- 1.7 **“Container Retained Business”** means the business of upgradation, operation, maintenance and transfer of Jawaharlal Nehru Port Container Terminal on PPP Basis, carried on by the J M Baxi through its strategic investment in Nhava Sheva Freeport Terminal Private Limited and any other Container Business operations initiated or undertaken by the Demerged Company through strategic investment in special purpose vehicles or otherwise in respect of which bids have been submitted post the approval of this Scheme by the Board of the Demerged Company, for which lock-in and/or transfer restrictions under the relevant concession/license agreements are in effect, and the necessary approvals for demerger from Appropriate Authorities to the Resulting Company 1 could not be obtained from the date of the Scheme being approved by the Board of the Demerged Company till the Effective Date.
- 1.8 **“Container Permitted Multi-Purpose Terminals”** means a multi-purpose terminal business where the revenues from providing container terminal services exceed or are expected to exceed 40% of the aggregate revenues from the terminal in question.
- 1.9 **“Corporate Services Business”** shall have the meaning as defined in Clause B.1.5 of this Scheme.
- 1.10 **“Demerged Company”** or **“J M Baxi”** means J M Baxi Ports & Logistics Private Limited (Corporate Identification Number: U63090MH1947PTC251291), a private limited company incorporated under provisions of the Indian Companies Act, 1913, and having its registered office at Godrej Coliseum, Office No.801, C-Wing, Behind Everard Nagar, Off Somaiya Hospital Road, Sion East, Mumbai – 400022.





1.11 **“Demerged Undertaking 1”** means the Identified Container Business of the Demerged Company and all businesses, activities, properties and relatable liabilities, employees, contracts, legal or other proceedings, and all other rights, claims or titles attributable to the interests of the Demerged Company in the Identified Container Business and without limitation, shall include the following:

- 1.11.1 all its properties and assets of the above referred business (tangible and intangible), including all intellectual property, movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, furniture, fixtures, office equipment, appliances, accessories, vehicles, sheds, godowns, warehouses, container freight stations, container terminals, inland container depots / terminals, equipments, capital work-in-progress, investments, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licenses, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company with respect to the Identified Container Business;
- 1.11.2 all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes for the purpose of carrying on the Identified Container Business;
- 1.11.3 all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities pertaining to the Identified Container Business;
- 1.11.4 all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services,



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reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company or in connection with or relating to the said company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of the Identified Container Business;

- 1.11.5 all permissions, approvals, consents, subsidies privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Identified Container Business;
- 1.11.6 all licenses (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations, certifications, no objection certificates, quotas, rights, permits, exemptions, subsidies, tax deferrals, credits (including Cenvat credits, sales tax credits, goods and services tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever for the purpose of carrying on the Identified Container Business;
- 1.11.7 all application monies, advance monies, earnest monies and/ or security deposits paid or deemed to have been paid and payments against other entitlements with respect to the Identified Container Business;
- 1.11.8 all agreements, contracts, arrangements, understandings, customer relationships, engagements, deeds and instruments including lease/ license agreements, tenancy rights, bonds, schemes, deeds, arrangements, service arrangements, sales orders, purchase orders, equipment purchase agreements, and other agreements with the customers and all rights, title, interests, claims and benefits there under; for the purpose of carrying on the Identified Container Business;
- 1.11.9 all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, goods and services tax credit, indirect tax benefits and exemptions, deductions and benefits under the



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IT Act or any other taxation statute enjoyed by the Demerged Company with respect to the Identified Container Business;

- 1.11.10 all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Demerged Company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Identified Container Business; all permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to Identified Container Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the Identified Container Business;
- 1.11.11 all books, records, files, papers, process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales, and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, list of present and former agents and brokers and other records whether in physical or electronic form in connection with or relating to the Identified Container Business;
- 1.11.12 all legal proceedings, suits, claims, disputes, causes of action, litigation, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, in connection with the Identified Container Business;
- 1.11.13 right to use the work experience, qualifications, capabilities, legacies and track record with government / non-government agencies / bodies, contracts with clients and with vendors, (including technical parameters, past performance, track record, financial credentials such as profitability, turnover, net-worth, financials, etc.) of the Demerged Company pertaining to the Identified Container Business, to the extent applicable, acquired by reason of the completion of various projects or works issued to the Demerged Company and the right to use all these past credentials for qualifying for any tender or project in the future;
- 1.11.14 all insurance policies with respect to the Identified Container Business; and



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1.11.15 all employees, who are on its payrolls, including those employed at its offices, employees/ personnel engaged on contract basis and interns/ trainees, as are primarily engaged in or relation to the business, activities and operations carried by the above referred business, including liabilities of the above referred business, with regard to their staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, or otherwise, in terms of its license, at its offices or otherwise, and any other employees/ personnel and interns/ trainees engaged in the Identified Container Business as on the Effective Date.

1.12 **“Demerged Undertaking 2”** means the Corporate Services Business of the Demerged Company and all businesses, activities, properties and relatable liabilities, employees, contracts, legal or other proceedings, and all other rights, claims or titles attributable to the interests of the Demerged Company in the Corporate Services Business and without limitation, include the following:

1.12.1 All properties and assets of the Corporate Services Business (tangible or intangible), including all intellectual property, movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, furniture, fixtures, office equipment, appliances, accessories, vehicles, sheds, godowns, warehouses, equipments, capital work-in-progress, investments, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licenses, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company with respect to the Corporate Services Business;

1.12.2 all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes for the purpose of carrying on the Corporate Services Business;

1.12.3 all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid, financial





- assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities pertaining to the Corporate Services Business;
- 1.12.4 all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever's situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company or in connection with or relating to the said company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of the Corporate Services Business;
- 1.12.5 all permissions, approvals, consents, subsidies, privileges, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Corporate Services Business;
- 1.12.6 all licenses (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations, certifications, no objection certificates, quotas, rights, permits, exemptions, subsidies, tax deferrals, credits (including Cenvat credits, sales tax credits, goods and services tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever for the purpose of carrying on the Corporate Services Business;
- 1.12.7 all application monies, advance monies, earnest monies and/ or security deposits paid or deemed to have been paid and payments against other entitlements with respect to the Corporate Services Business;
- 1.12.8 all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/ license agreements, tenancy rights, bonds, schemes, deeds, arrangements, service arrangements, sales orders, purchase



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- orders, loan license agreements and other agreements with the customers and all rights, title, interests, claims and benefits there under for the purpose of carrying on the Corporate Services Business;
- 1.12.9 all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, goods and services tax credit, indirect tax benefits and exemptions, deductions and benefits under the IT Act or any other taxation statute enjoyed by the Demerged Company with respect to the Corporate Services Business;
- 1.12.10 all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Demerged Company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Corporate Services Business;
- 1.12.11 all permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents and other intellectual property rights of the Demerged Company pertaining to Corporate Services Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to the Corporate Services Business;
- 1.12.12 all books, records, files, papers, process information, computer programs, software licenses (whether proprietary or otherwise), 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 Corporate Services Business;
- 1.12.13 all legal proceedings, suits, claims, disputes, causes of action, litigation, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, in connection with the Corporate Services Business;
- 1.12.14 all insurance policies with respect to the Corporate Service Business; and
- 1.12.15 all employees, who are on its payrolls, including those employed at its offices, employees/ personnel engaged on contract basis and interns/ trainees, as are



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primarily engaged in or relation to the business, activities and operations carried by the Corporate Services Business, including liabilities of the Corporate Services Business, with regard to their staff and employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, or otherwise, in terms of its license, at its offices or otherwise, and any other employees/ personnel and interns/ trainees engaged in the Corporate Services Business as of the Effective Date.

- 1.13 **“Demerged Undertakings”** means the Demerged Undertaking 1 and the Demerged Undertaking 2, collectively.
- 1.14 **“Effective Date”** in relation to the Scheme, means the date or last of the dates on which (i) certified copies of the order of the NCLT sanctioning the Scheme are filed by the Demerged Company and the Resulting Companies with the Registrar of Companies, Mumbai or (ii) the last of the approvals specified under Clause 31.1 is obtained. References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” or “effectiveness of this Scheme” or “Scheme becomes effective” shall mean the Effective Date.
- 1.15 **“Encumbrance”** or to **“Encumber”** means without limitation any options, claim, pre-emption right, easement, limitation, attachment, restraint, mortgage, debenture, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest, non-disposal agreement, shortfall undertaking, bank guarantees, corporate guarantees 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.
- 1.16 **“Equity Share(s) of Demerged Company”** means equity share of face value of Rs. 1/- each issued and allotted by the Demerged Company.
- 1.17 **“Equity Share(s) of Resulting Company 1”** means equity share of face value of Rs. 1/- each issued and allotted by the Resulting Company 1 to the equity shareholders of Demerged Company pursuant to Part II of this Scheme free and clear of all Encumbrances and together with all rights and benefits attaching thereto.





- 1.18 **“Equity Share(s) of Resulting Company 2”** means equity share of face value of Rs. 1/- each issued and allotted by the Resulting Company 2 to the equity shareholders of Demerged Company pursuant to Part III of this Scheme, free and clear of all Encumbrances and together with all rights and benefits attaching thereto.
- 1.19 **“Identified Container Business”** means (a) Container Freight Station Business (as defined in Clause B.1.3.1 of this Scheme), (b) Container Train Operations Business (as defined in Clause B.1.3.2 of this Scheme), (c) business of container handling and terminal services (including Container Permitted Multi-Purpose Terminals but excluding NC Permitted Multi-Purpose Terminals), inland container depot services, container freight station operations, containerized rail freight services and related value added services (i.e. stuffing destuffing, pre inspection, hatch cover, restow, priority discharge, custom examination, stacking, destacking etc.) and (d) the strategic investments in the Identified Container SPVs through which the Demerged Company is engaged in the business of container handling and terminal services (including Container Permitted Multi-Purpose Terminals but excluding NC Permitted Multi-Purpose Terminals), inland container depot services, container freight station operations and containerized rail freight services in accordance with the terms of the license/concession agreements with Appropriate Authorities and underlying bid documents and would include any other operations in relation to Container Business.
- 1.20 **“Identified Container SPVs”** means the strategic investments made by the Demerged Company, to carry on the business of container handling and terminal services, inland container depot services, container freight station operations and containerized rail freight services, in Kandla International Container Terminal Private Limited, Haldia International Container Terminal Private Limited, Delhi International Cargo Terminal Private Limited, Visakha Container Terminal Private Limited, Tuticorin International Container Terminal Private Limited and any other special purpose vehicle engaged in the Container Business as identified by the Demerged Company in accordance with the terms of the license/concession agreements with Appropriate Authorities and underlying bid documents.
- 1.21 **“Ind AS”** shall mean the Indian Accounting Standards as notified under Section 133 of the Act.
- 1.22 **“Ind AS Rules”** shall mean the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.





- 1.23 **“IT Act” or “Income-tax Act”** means the Income-tax Act, 1961, of India, including any statutory modifications, re-enactments, or amendments thereof for the time being in force.
- 1.24 **“National Company Law Tribunal” or “NCLT” or “Tribunal”** means the Mumbai Bench of the National Company Law Tribunal constituted under Section 408 of the Act and/ or the National Company Law Appellate Tribunal (“NCLAT”) as constituted and authorised 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.
- 1.25 **“NC Permitted Multi-Purpose Terminals”** means a multi-purpose terminal business where the revenues from providing container terminal services do not exceed nor are expected to exceed 40% of relevant to the aggregate revenues from the terminal in question.
- 1.26 **“Non-Container Business”** shall have the meaning as defined in Clause B.1.4 of this Scheme.
- 1.27 **“Parties” or “Companies”** means collectively the Demerged Company, Resulting Company 1 and Resulting Company 2 and “Party” or “Company” shall mean each of them, individually.
- 1.28 **“Record Date 1”** means a mutually agreed date to be fixed by the Board of Directors of the Demerged Company and the Resulting Company 1 for the purposes of issuance of and allotment in accordance with Clause 11.1 of this Scheme.
- 1.29 **“Record Date 2”** means a mutually agreed date to be fixed by the Board of Directors of the Demerged Company and Resulting Company 2 for the purposes of issuance of and allotment in accordance with Clause 19.1 of this Scheme.
- 1.30 **“Registrar of Companies”** means the Registrar of Companies, Mumbai having jurisdiction over the Companies.
- 1.31 **“Resulting Company 1” or “J M Baxi Container”** means J M Baxi Container Holdings Private Limited (Corporate Identification Number: U52242MH2023PTC405195), a private limited company incorporated under



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provisions of the Act and having its registered office at Godrej Coliseum, Office No.801, C-Wing, Behind Everard Nagar, Off Somaiya Hospital Road, Sion East, Mumbai – 400022.

- 1.32 **“Resulting Company 2” or “JM Baxi Dev Co”** means JM Baxi Ports Services Private Limited (Corporate Identification Number: U52242MH2023PTC405765), a private limited company incorporated under provisions of the Act and having its registered office at Godrej Coliseum, Office No.801, C-Wing, Behind Everard Nagar, Off Somaiya Hospital Road, Sion East, Mumbai – 400022.
- 1.33 **“Resulting Companies”** means the Resulting Company 1 and the Resulting Company 2 collectively.
- 1.34 **“Remaining Business” or “Remaining Business of the Demerged Company”** means the Container Retained Business and Non-Container Business.
- 1.35 **“Scheme” or “the Scheme” or “this Scheme” or “the Composite Scheme of Arrangement”** means this Composite Scheme of Arrangement in its present form submitted to the NCLT or with any modification(s) made under Clause 29 of this Scheme or with such other modifications/amendments as the NCLT may direct.
- 1.36 **“Tax Laws”** mean IT Act, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act, applicable to any state in which the Demerged Company and / or the Resulting Companies operate, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, Goods and Services Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies/ cess.
2. In this Scheme, unless the context otherwise requires:
- 2.1 words denoting the singular shall include the plural and vice versa;
- 2.2 headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- 2.3 references to the word “include” or “including” shall be construed without limitation;
- 2.4 a reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section, or part of this Scheme;
- 2.5 unless otherwise defined, the reference to the word “days” shall mean calendar days;



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- 2.6 reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- 2.7 word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them;
- 2.8 references 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
- 2.9 all terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws, rules, regulations, byelaws, as the case may be, or any statutory modification or re-enactment thereof for the time being in force.

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

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other statutory authorities or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.

4. **SEQUENCE OF EFFECTIVENESS OF THE SCHEME**

Upon the Scheme becoming effective, with effect from the Appointed Date, Part II which provides for Demerger of the Demerged Undertaking 1 from Demerged Company into Resulting Company 1, and Part III which provides for the Demerger of the Demerged Undertaking 2 from Demerged Company into Resulting Company 2, shall be operative simultaneously.

5. **SHARE CAPITAL**

- 5.1 The share capital of the Demerged Company as on December 31, 2023 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital – Rs. 311,00,01,000 (Indian Rupees Three Hundred Eleven Crores and One Thousand only) classified into:	
111,00,01,000 Equity shares of Rs. 1 each	111,00,01,000



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Particulars	Amount (Rs.)
10,00,00,000 Series A Compulsorily Convertible Non Cumulative Participatory Preference Shares of Rs. 10 each	100,00,00,000
10,00,00,000 Series B Compulsorily Convertible Non Cumulative Participatory Preference Shares of Rs. 10 each	100,00,00,000
Total	311,00,01,000
Issued, Subscribed and Paid-up Share Capital	
10,72,39,818 Equity shares of Rs. 1 each	10,72,39,818
Total	10,72,39,818

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

5.2 The share capital of the Resulting Company 1 as on December 31, 2023 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
1,00,000 Equity Shares of Rs. 1/- each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up Share Capital	
1,00,000 Equity Shares of Rs. 1/- each	1,00,000
Total	1,00,000

Resulting Company 1 is a wholly owned subsidiary of the Demerged Company. Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company 1, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Resulting Company 1.

5.3 The share capital of the Resulting Company 2 as on December 31, 2023 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
1,00,000 Equity Shares of Rs. 1/- each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up Share Capital	





Particulars	Amount (Rs.)
1,00,000 Equity Shares of Rs. 1/- each	1,00,000
Total	1,00,000

Resulting Company 2 is a wholly owned subsidiary of Demerged Company. Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company 2, there has been no change in the authorised, issued, subscribed and paid-up equity share capital of the Resulting Company 2.

Part II – DEMERGER AND VESTING OF DEMERGED UNDERTAKING 1 OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY 1

6. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 1

- 6.1 Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Section 230 to 232 of the Act and Section 2(19AA) of the IT Act, the Demerged Undertaking 1 shall, without any further act, instrument or deed, be transferred to, and be vested in or be deemed to have been transferred to and vested in Resulting Company 1, as a going concern, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, customer relationships, employees, permits, records, etc. of Resulting Company 1 by virtue of operation of law and in the manner provided in this Scheme, subject to subsisting charges, Encumbrances and pledges, if any.
- 6.2 In respect of such of the assets and properties forming part of the Demerged Undertaking 1, including those which are acquired till the Effective Date, assets and properties which are movable in nature, including cash in hand, or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to Resulting Company 1 upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of Resulting Company 1 without requiring any deed or instrument of conveyance for transfer of the same, subject to subsisting charges, Encumbrances and pledges, if any.
- 6.3 Subject to Clause 6.5 below, with respect to the assets of the Demerged Undertaking 1 other than those referred to in Clause 6.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties),





investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, 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 vested in and / or be deemed to be transferred to and vested in the Resulting Company 1, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company 1. With regard to the licenses of the properties, Resulting Company 1 will enter into novation agreements, if it is so required.

- 6.4 The bank balances and deposits, if any, pertaining to the Demerged Undertaking 1 as on the Appointed Date, shall be maintained in a separate bank account and the said balance would be adjusted for any transactions undertaken in relation to the Demerged Undertaking 1 by the Demerged Company upto the Effective Date. Further, the balances in the aforesaid account as on the Effective Date 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 the Resulting Company 1.
- 6.5 In respect of such of the assets and properties forming part of the Demerged Undertaking 1 which are immovable in nature, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, same shall stand transferred to and be vested in Resulting Company 1 with effect from the Appointed Date, without any act or deed done by the Demerged Company or Resulting Company 1, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company 1 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company 1 by the Appropriate Authority pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful, and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company 1. Resulting Company 1 may, if required give notice in such form as it may deem fit and proper to each person, debtor or deposittee that pursuant to the Scheme, the said person, debtor or deposittee should pay the loan, debt or advance or make good the same or hold the same to its account and that the right of the Resulting Company 1 to recover or realize the same is in substitution of the right of the Demerged Company.



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- 6.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking 1 in the nature of land and buildings situated in India, whether owned or leased, for the purpose of, inter alia, payment of stamp duty and vesting in Resulting Company 1, if Resulting Company 1 so decides, the Parties, whether before or after the Effective Date, 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 Resulting Company 1 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 Appropriate Authority in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 6.7 Upon the Scheme becoming effective and with effect from the Appointed Date, all rights entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relating to the Demerged Undertaking 1, if any, to which either the Demerged Company is a party or to the benefit of which the Demerged Company may be / was eligible or entitled, shall become the rights, entitlement or property of Resulting Company 1 and shall be enforceable by or against Resulting Company 1, as fully and effectually as if, instead of Demerged Company, Resulting Company 1 had been a party or beneficiary or obligee thereto or the holder or owner thereof.
- 6.8 Upon the Scheme becoming effective and with effect from the Appointed Date:
- 6.8.1 The Demerged Company may, at its sole discretion but without being obliged to, 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, debenture or deposit relating to the Demerged Undertaking 1 stands transferred to and vested in Resulting Company 1 and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes.
- 6.8.2 Subject to Clause 6.8.3, all liabilities relating to and comprised in the Demerged Undertaking 1 including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Demerged Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its



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business activities and operations of Demerged Undertaking 1, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 1. To give effect to the foregoing, Demerged Company and Resulting Company 1 shall execute all such deeds, documents, and instruments as may be required.

- 6.8.3 All the sanctioned limits with regards to bank guarantees and cash credit limits pertaining to the Demerged Undertaking 1, as may be determined by the Board of the Demerged Company and the Resulting Company 1 in consultation with the lenders of the Demerged Company, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 1. The balance of the sanctioned limits with regards to bank guarantees and cash credit of the Demerged Company, if any, shall be the sanctioned limits for the Remaining Business of the Demerged Company. To give effect to the foregoing, Demerged Company and Resulting Company 1 shall execute all such deeds, documents and instruments as may be required by respective lenders.
- 6.8.4 If the Demerged Company is entitled to any unutilised credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking 1 under any Tax Laws or Applicable Law, Resulting Company 1 shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilised input credits of goods and services tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking 1 and be transferred to Resulting Company 1 shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.
- 6.8.5 Subject to Clause 24 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 1, the Demerged Company shall, if so required by Resulting Company 1, issue notices in such form as Resulting Company 1 may deem fit and proper, stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of Resulting Company 1, 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 Resulting Company 1 and that appropriate entries should be passed in their respective books to record the aforesaid changes.



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- 6.8.6 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 and are in relation to or in connection with the Demerged Undertaking 1, shall be accepted by the bankers of Resulting Company 1 and credited to the account of Resulting Company 1, if and when presented by Resulting Company 1.
- 6.8.7 The Resulting Company 1 shall at any time upon the Scheme becoming effective and in accordance with the provisions hereof, if so, required under any Applicable Law or otherwise execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking 1 to which the Demerged Company has been a party, in order to give formal effect to the above provisions.
- 6.8.8 Upon the Scheme becoming effective and with effect from the Appointed Date, in relation to the assets forming part of the Demerged Undertaking 1, if any, separate document is required for vesting of such assets in the Resulting Company 1, or which the Demerged Company and/ or the Resulting Company 1 otherwise desire to be vested separately, the Demerged Company and the Resulting Company 1 will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 6.8.9 Upon the Scheme being effective, for the purpose of satisfying any eligibility criteria including technical and/ or financial parameters for participating and qualifying in invitations for expression of interest(s) and/ or bid(s) and/ or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or combination thereof, related to the Demerged Undertaking 1, the Resulting Company 1 shall be entitled to the benefit of all pre-qualification, track- record, experience, goodwill, and all other rights, claims and powers of whatsoever nature belonging to the Demerged Company in connection with or pertaining or relatable to the Demerged Undertaking 1 for all intents and purposes and specifically including but not limited to financial credentials including the turnover, profitability, net-worth, technical expertise, market share, project management experience, track record of having undertaken, performed and/or executed the business and/or orders by the Demerged Company.
- 6.8.10 It is hereby clarified that if any assets of the Demerged Undertaking 1, cannot be transferred to the Resulting Company 1 for any reason whatsoever, the Demerged Company shall hold such asset in trust for the benefit of the Resulting Company 1 and



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forthwith seek to transfer such assets to the Resulting Company 1, upon receipt of relevant consents and approvals required to effect such transfer.

7. ENCUMBRANCES

- 7.1 The transfer and vesting of the assets comprised in the business of the Demerged Undertaking 1 of the Demerged Company, to and in the Resulting Company 1 under Clause 6 of this Scheme shall be subject to the mortgages, Encumbrances and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 7.2 In so far as any Encumbrance in respect of liabilities relating to the Demerged Undertaking 1 is concerned, such Encumbrance shall, be extended to, and shall continue to operate over the assets comprised in the Demerged Undertaking 1 which have been Encumbered in respect of the liabilities as transferred to Resulting Company 1 pursuant to the Scheme.
- 7.3 All the existing securities, mortgages, charges, Encumbrances or liens, if any, created by the Demerged Company till the Effective Date, over the assets comprised in the business of the Demerged Undertaking 1 of the Demerged Company, or any part thereof transferred to the Resulting Company 1 by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Demerged Company, the same shall, after the Effective 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 Resulting Company 1, and such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company 1.
- 7.4 In so far as the assets comprised in the Demerged Undertaking 1 are concerned, the Encumbrance over such assets relating to any liabilities which are not transferred to the Resulting Company 1 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities with respect to the Demerged Company. Similarly, the Encumbrance created over the assets relating to the Remaining Business of the Demerged Company to secure any liabilities which are being transferred to the Resulting Company 1 pursuant to this Scheme, shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities with respect to the Demerged Company.





7.5 All the sponsor support undertakings and / or corporate guarantees provided / to be provided by the Demerged Company under:

- a) financial assistance sanctioned, as on the date of approval of this Scheme by the Board of the Demerged Company, and
- b) any enhancement of the above existing sanctioned financial assistance, after the date of approval of this Scheme by the Board of the Demerged Company,

in favour of the banks and/or financial institutions for existing or enhanced financial assistance provided / to be provided to the existing subsidiaries and / or joint venture entities of the Demerged Company in relation to the Non-Container Business and Container Retained Business will continue to be in effect, upon effectiveness of the Scheme (“**Undertakings / Guarantees of Remaining Business**”).

7.6 Further, upon the Scheme becoming effective, the Resulting Company 1 will also provide sponsor support undertakings, and / or the corporate guarantees similar to the Undertakings / Guarantees of Remaining Business (“**Additional Undertakings / Guarantees of Remaining Business**”) in favour of banks and/or financial institutions in relation to the financial assistance referred in clause 7.5.

7.7 The Additional Undertakings / Guarantees of Remaining Business shall be in effect for a term of 3 (three) years from the Effective Date, on the same terms and conditions, to the extent applicable, as set out in the Undertakings / Guarantees of Remaining Business. Accordingly, the Additional Undertakings / Guarantees of Remaining Business shall automatically cease to be in effect on the expiry of 3 (three) years from the Effective Date.

7.8 In the event the Demerged Company does not fulfil its obligations under the Undertakings / Guarantees of Remaining Business within a period of 15 (fifteen) business days of any request / demand received from the banks and / or financial institutions, as the case may be, then, the banks and / or financial institutions shall be entitled to exercise their rights against Resulting Company 1 in accordance with the terms of such Additional Undertakings / Guarantees of Remaining Business.

7.9 All the existing undertakings, indemnities, guarantees and other contractual comforts (including sponsor support undertakings and / or corporate guarantees) provided by the Demerged Company or the promoters of the Demerged Company, in relation to Demerged Undertaking 1, to secure financial assistance availed by the Demerged



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Company or any of the Identified Container SPVs, shall stand discharged on and from the Effective Date. The Resulting Company 1 and / or the shareholders of the Resulting Company 1 shall provide such undertakings, indemnities, guarantees and other contractual comforts (including new sponsor support undertakings and / or corporate guarantees (“**New Undertakings/Guarantees of Identified Container Business**”) as were provided earlier by the Demerged Company (that stand discharged from the Effective Date) in relation to Demerged Undertaking 1.

- 7.10 Further, upon the Scheme becoming effective, the Demerged Company will also provide sponsor support undertakings, and / or the corporate guarantees similar to the New Undertakings/Guarantees of Identified Container Business (“**Additional Undertakings / Guarantees of Identified Container Business**”) in favour of banks and/or financial institutions in relation to the financial assistance referred in clause 7.9.
- 7.11 The Additional Undertakings / Guarantees of Identified Container Business shall be in effect for a term of 3 (three) years from the Effective Date, on the same terms and conditions, to the extent applicable, as set out in the New Undertakings / Guarantees of Identified Container Business. Accordingly, the Additional Undertakings / Guarantees of Identified Container Business shall automatically cease to be in effect on the expiry of 3 (three) years from the Effective Date.
- 7.12 In the event the Resulting Company 1 does not fulfil its obligations under the New Undertakings / Guarantees of Identified Container Business within a period of 15 (fifteen) business days of any request / demand received from the banks and / or financial institutions, as the case may be, then, the banks and/or financial institutions shall be entitled to exercise their rights against Demerged Company in accordance with the terms of such Additional Undertakings / Guarantees of Identified Container Business.
- 7.13 It is expressly provided that, no other term or condition of the liabilities transferred to the Resulting Company 1 is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or to the extent guarantees / undertakings are replaced or otherwise by necessary implication.

8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 8.1 Upon the Scheme becoming effective and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and





other instruments of whatsoever nature in relation to Demerged Undertaking 1 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 on or against or in favour, as the case may be, of the Resulting Company 1 and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company 1 had been a party or beneficiary or obligee thereto.

- 8.2 The Resulting Company 1 may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements 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.
- 8.3 It is hereby clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in relation to the Demerged Undertaking 1 to which the Demerged Company is a party, cannot be transferred to the Resulting Company 1 for any reason whatsoever, the Demerged Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in trust for the benefit of the Resulting Company 1.
- 8.4 Upon the Scheme becoming effective and with effect from Appointed Date, all consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities and power of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking 1, shall stand transferred to the Resulting Company 1 in accordance with Applicable Laws, as if the same were originally given by, issued to or executed in favour of the Resulting Company 1, and the Resulting Company 1 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 1. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Demerged Company in relation to the Demerged Undertaking 1 are concerned, the same shall vest with and be available to the Resulting Company 1 on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Resulting Company 1.



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8.5 It is hereby clarified that if any consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities and power of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking 1 to which the Demerged Company is a party, cannot be transferred to the Resulting Company 1 for any reason whatsoever, the Demerged Company shall hold such consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities and power of attorney, or other instruments of whatsoever nature in trust for the benefit of the Resulting Company 1.

9. STAFF, WORKMEN AND EMPLOYEES

9.1 Upon the Scheme becoming effective and with effect from the Effective Date, Resulting Company 1 undertakes to engage, without any interruption in service, all staff, workmen and employees engaged in or in relation to the Demerged Undertaking 1, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company. Resulting Company 1 undertakes to continue to abide by any agreement / settlement or arrangement entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid staff, workmen and employees or union representing them. Resulting Company 1 agrees that the services of all such staff, workmen and employees of the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said staff, workmen and employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits. The decision on whether or not a staff, workmen or employee is part of the Demerged Undertaking 1 shall be decided by the Board of Directors of Demerged Company, and such decision shall be final and binding on all concerned Parties.

9.2 The accumulated balances, if any, standing to the credit of the aforesaid staff, workmen and employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by Resulting Company 1 and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognised by the Appropriate Authorities, by Resulting Company 1. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said staff, workmen and employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.



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9.3 With effect from the date of filing of the Scheme with the NCLT and up to and including the Effective Date, the Demerged Company shall not vary the terms and conditions of employment of any of the staff, workmen and employees pertaining to the Demerged Undertaking 1 except in the ordinary course of business or without the prior consent of the Board of Directors of Resulting Company 1 or pursuant to any pre-existing obligation undertaken by the Demerged Company.

10. LEGAL PROCEEDINGS

10.1 Upon the Scheme becoming effective, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ("**Proceedings**") by or against the Demerged Company under any statute, pending on the Appointed Date, relating to the Demerged Undertaking 1, shall be continued, and enforced by or against the Resulting Company 1 after the Effective Date, to the extent legally permissible. To the extent such Proceedings cannot be taken over by the Resulting Company 1, the Proceedings shall be pursued / defended by the Demerged Company as per the instructions of and entirely at the costs and expenses of the Resulting Company 1. In the event that such liability is incurred or such claim, or demand is made upon the Demerged Company pertaining to the Demerged Undertaking 1, then the Resulting Company 1 shall reimburse and indemnify the Demerged Company for any payments made in relation to the same. The Demerged Company and the Resulting Company 1 shall take appropriate steps in the respective court or forum of the Proceedings before which they are pending to appropriately substitute the name of the plaintiff, defendant, petitioner, respondent or other in the cause title respectively from that of the Demerged Company to the name of the Resulting Company 1, on due approval or sanction of such court or forum as appropriate.

10.2 Any proceedings by or against the Demerged Company under any statute, pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date 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. The Resulting Company 1 shall in no event be responsible or liable for or in relation to any such Proceeding by or against the Demerged Company.

11. CONSIDERATION

11.1 Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Demerged Undertaking 1 of Demerged Company with the Resulting Company 1



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pursuant to this Scheme and subject to the provisions of this Scheme, the Resulting Company 1 shall, without any further application, act, deed, consent or instrument, issue and allot, on a proportionate basis, to each shareholder of the Demerged Company, whose name is recorded in the register of members as member of the Demerged Company as on the Record Date 1, as follows:

“1 (one) Equity Share of J M Baxi Container of Re. 1 (Rupee One) each, credited as fully paid up, for every 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each of J M Baxi held by such shareholders.”

- 11.2 The Equity Shares of Resulting Company 1 to be issued and allotted pursuant to the demerger of the Demerged Undertaking 1 into the Resulting Company 1 under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company 1 and shall rank pari passu in all respects with any existing Equity Shares of the Resulting Company 1, if any, after the Effective Date including as regards entitlement to dividends and other distributions and repayment of capital declared or paid on or after the Effective Date, and voting and other rights attached to the Equity Shares of Resulting Company 1.
- 11.3 Subject to Applicable Law, the Equity Shares of Resulting Company 1 that are to be issued in terms of this Scheme shall be issued in dematerialized form. The register of equity shareholders and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company 1, the relevant depository in terms of Applicable Law shall (as deemed necessary by the Board of the Resulting Company 1) be updated to reflect the issue of the Equity Shares of Resulting Company 1 in terms of this Scheme.
- 11.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Resulting Company 1 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 1, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date 1, in order to remove any difficulties arising to the transferor or transferee of Equity Shares in the Demerged Company, after the effectiveness of this Scheme.
- 11.5 The Equity Shares of Resulting Company 1 to be issued pursuant to this Scheme in respect of any Equity Shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise, shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.





- 11.6 Notwithstanding anything contained in the Scheme and subject to Applicable Law, until the Scheme becomes effective, the Resulting Company 1 is hereby permitted to issue shares, and, or, convertible instruments or any combination thereof including optionally convertible instruments on such terms and conditions as maybe approved by the Board of Directors of the Resulting Company 1, to the Demerged Company, for the efficient functioning of the business of the Resulting Company 1, to the end and intent that such issuance shall not affect the consideration as set out in clause 11.1 above, and do all such acts, deed and things as may be necessary to effect the foregoing including but not limited to increase, reclassify and/or restructure its authorised share capital in such manner and by such amount as may be necessary.
- 11.7 If necessary, the Resulting Company 1 shall before issue and allotment of the Equity Shares of Resulting Company 1 in term of the Scheme, increase, reclassify, and/or restructure its authorised share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 11.8 The issue and allotment of the Equity Shares of Resulting Company 1 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 1 or the Demerged Company or their shareholders and as if the procedure laid down under the Act, including Sections 42 and 62 of the Act and other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares of Resulting Company 1 to the shareholders of Demerged Company, and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Resulting Company 1 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of Equity Shares of Resulting Company 1 under the applicable provisions of the Act.

12. **ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY**

- 12.1 Notwithstanding anything to the contrary contained herein, the demerger of the Demerged Undertaking 1 from the Demerged Company to the Resulting Company 1 shall be accounted for, in the books of the Demerged Company, in accordance with Appendix A of Ind AS 10 'Distribution of Non-Cash Assets to Owners' and other applicable Ind AS as notified in the Ind AS Rules as follows:



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- 12.1.1 The Demerged Company shall recognise a liability to distribute non cash assets to its owners measured at the fair value of the business of Demerged Undertaking 1 with a corresponding debit to the other equity as follows: (a) debiting the securities premium account to the extent of carrying value of net assets (carrying value of assets minus carrying value of liabilities of Demerged Undertaking 1) and (b) the balance amount (fair value of the business of Demerged Undertaking 1 minus carrying value of net assets of Demerged Undertaking 1) shall be debited against the retained earnings of the Demerged Company.
- 12.1.2 On settlement of distribution liability, the Demerged Company shall derecognise from its books of accounts, the carrying amount of assets and liabilities pertaining to the Demerged Undertaking 1, transferred to the Resulting Company 1, in accordance with the provisions of this Scheme.
- 12.1.3 The difference between carrying amount of distribution liability settled (clause 12.1.1) and carrying amount of the assets and liabilities of Demerged Undertaking 1 derecognised (clause 12.1.2), if any, shall be recognised in the statement of profit and loss of the Demerged Company.

13. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY 1

- 13.1 Notwithstanding anything to the contrary contained herein, the Resulting Company 1 will account for the acquisition of Demerged Undertaking 1 by applying the guidance prescribed in Indian Accounting Standard 103 - Business Combinations and other applicable Ind AS.

Part III – DEMERGER AND VESTING OF DEMERGED UNDERTAKING 2 OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY 2

14. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 2

- 14.1 Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Section 230 to 232 of the Act and Section 2(19AA) of the IT Act, the Demerged Undertaking 2 shall, without any further act, instrument or deed, be transferred to, and be vested in or be deemed to have been transferred to and vested in Resulting Company 2, as a going concern, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements,



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customer relationships, employees, permits, records, etc. of Resulting Company 2 by virtue of operation of law and in the manner provided in this Scheme, subject to subsisting charges, Encumbrances and pledges, if any.

- 14.2 In respect of such of the assets and properties forming part of the Demerged Undertaking 2, including those which are acquired till the Effective Date, assets and properties which are movable in nature, including cash in hand or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to Resulting Company 2 upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of Resulting Company 2 without requiring any deed or instrument of conveyance for transfer of the same, subject to subsisting charges, Encumbrances and pledges, if any.
- 14.3 Subject to Clause 14.5 below, with respect to the assets of the Demerged Undertaking 2 other than those referred to in Clause 14.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, 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 vested in and / or be deemed to be transferred to and vested in the Resulting Company 2, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company. With regard to the licenses of the properties, Resulting Company 2 will enter into novation agreements if it is so required.
- 14.4 The bank balances and deposits, if any, pertaining to the Demerged Undertaking 2 as on the Appointed Date, shall be maintained in a separate bank account and the said balance would be adjusted for any transactions undertaken in relation to the Demerged Undertaking 2 by the Demerged Company upto the Effective Date. Further, the balances in the aforesaid account as on the Effective Date 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 the Resulting Company 2.
- 14.5 In respect of such of the assets and properties forming part of the Demerged Undertaking 2 which are immovable in nature, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, same shall stand transferred to and be vested in Resulting Company 2



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with effect from the Appointed Date, without any act or deed done by the Demerged Company or Resulting Company 2, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Resulting Company 2 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Resulting Company 2 by the Appropriate Authority pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful, and unencumbered possession, right, title, interest of its immovable property is given to the Resulting Company 2. Resulting Company 2 may, if required give notice in such form, as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme, the said person, debtor or depositor should pay the loan, debt or advance or hold the same to its account and that the right of the Resulting Company 2 to recover or realise the same is in substitution of the right of the Demerged Company.

14.6 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking 2 in the nature of land and buildings situated in India, whether owned or leased, for the purpose of, inter alia, payment of stamp duty and vesting in Resulting Company 2, if Resulting Company 2 so decides, the Parties, whether before or after the Effective Date, 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 Resulting Company 2 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 Appropriate Authority in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.

14.7 Upon the Scheme becoming effective and with effect from the Appointed Date, all rights entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered or unregistered or pending registration, and the goodwill arising therefrom, relating to the Demerged Undertaking 2, if any, to which either the Demerged Company is a party or to the benefit of which the Demerged Company may be / was eligible or entitled, shall become the rights, entitlement or property of Resulting Company 2 and shall be enforceable by or against Resulting Company 2, as fully and effectually as if, instead of the Demerged Company,



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Resulting Company 2 had been a party or beneficiary or obligee thereto or the holder or owner thereof.

14.8 Upon the Scheme becoming effective and with effect from the Appointed Date:

14.8.1 The Demerged Company may, at its sole discretion but without being obliged to, 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, debenture or deposit relating to the Demerged Undertaking 2 stands transferred to and vested in Resulting Company 2 and that appropriate modification should be made in their respective books / records to reflect the aforesaid changes.

14.8.2 All liabilities relating to and comprised in the Demerged Undertaking 2 including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Demerged Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations of Demerged Undertaking 2, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 2, without any further act, instrument, deed, matter or thing. All such loans and debts shall be secured only by an Encumbrance over the assets of the Resulting Company 2 in the manner as set out in Clause 15 of this Scheme. Any and all charges created over the assets of the Demerged Company in relation to such debts or loans shall stand discharged.

14.8.3 If the Demerged Company is entitled to any unutilised credits (including accumulated losses and unabsorbed depreciation), benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Demerged Undertaking 2 under any tax law or Applicable Law, Resulting Company 2 shall be entitled, as an integral part of the Scheme, to claim such unutilised credits without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilised input credits of goods and service tax of the Demerged Company, the portion which will be attributed to the Demerged Undertaking 2 and be transferred to Resulting Company 2 shall be determined by the Board of the Demerged Company in accordance with the Applicable Law.

14.8.4 Subject to Clause 24 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 2, the Demerged Company shall, if so required by Resulting Company 2, issue notices in such form as Resulting Company 2 may deem fit and proper, stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of Resulting Company 2, 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 Resulting Company 2 and that appropriate entries should be passed in their respective books to record the aforesaid changes.

14.8.5 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 and are in relation to or in connection with the Demerged Undertaking 2, shall be accepted by the bankers of Resulting Company 2 and credited to the account of Resulting Company 2, if and when presented by Resulting Company 2.

14.8.6 The Resulting Company 2 shall at any time upon the Scheme becoming effective and in accordance with the provisions hereof, if so, required under any Applicable Law or otherwise execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking 2 to which the Demerged Company has been a party, in order to give formal effect to the above provisions.

14.8.7 Upon the Scheme becoming effective and with effect from Appointed Date, in relation to the assets forming part of the Demerged Undertaking 2, if any, separate document is required for vesting of such assets in the Resulting Company 2, or which the Demerged Company and/ or the Resulting Company 2 otherwise desire to be vested separately, the Demerged Company and the Resulting Company 2 will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.

14.8.8 It is hereby clarified that if any assets of the Demerged Undertaking 2, cannot be transferred to the Resulting Company 2 for any reason whatsoever, the Demerged Company shall hold such asset in trust for the benefit of the Resulting Company 2 and forthwith seek to transfer such assets to the Resulting Company 2, upon receipt of relevant consents and approvals required to effect such transfer.

15. ENCUMBRANCES



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- 15.1 The transfer and vesting of the assets comprised in the business of the Demerged Undertaking 2 of the Demerged Company, to and in the Resulting Company 2 under Clause 14 of this Scheme shall be subject to the mortgages, Encumbrances and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 15.2 In so far as any Encumbrance in respect of liabilities relating to the Demerged Undertaking 2 is concerned, such Encumbrance shall, be extended to, and shall continue to operate only over the assets comprised in the Demerged Undertaking 2 which have been Encumbered in respect of the liabilities as transferred to Resulting Company 2 pursuant to the Scheme.
- 15.3 All the existing securities, mortgages, charges, Encumbrances or liens, if any, created by the Demerged Company till the Effective Date, over the assets comprised in the business of the Demerged Undertaking 2 of the Demerged Company, or any part thereof transferred to the Resulting Company 2 by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Demerged Company, the same shall, after the Effective 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 Resulting Company 2, and such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company 2.
- 15.4 In so far as the assets comprised in the Demerged Undertaking 2 are concerned, the Encumbrance over such assets relating to any liabilities which are not transferred to the Resulting Company 2 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities with respect to the Demerged Company. Similarly, the Encumbrance created over the assets relating to the Remaining Business of the Demerged Company to secure any liabilities which are being transferred to the Resulting Company 2 pursuant to this Scheme, shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities with respect to the Demerged Company.
- 15.5 It is expressly provided that, no other term or condition of the liabilities transferred to the Resulting Company 2 is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or to the extent guarantees are replaced or otherwise by necessary implication.

16. **CONTRACTS, DEEDS AND OTHER INSTRUMENTS**





- 16.1 Upon the Scheme becoming effective and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to Demerged Undertaking 2 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 on or against or in favour, as the case may be, of the Resulting Company 2 and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company 2 had been a party or beneficiary or obligee thereto.
- 16.2 The Resulting Company 2 may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements 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.
- 16.3 It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in relation to the Demerged Undertaking 2 to which the Demerged Company is a party, cannot be transferred to the Resulting Company 2 for any reason whatsoever, the Demerged Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in trust for the benefit of the Resulting Company 2.
- 16.4 Upon the Scheme becoming effective and with effect from Appointed Date, all consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities and power of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking 2, shall stand transferred to the Resulting Company 2 in accordance with Applicable Laws, as if the same were originally given by, issued to or executed in favour of the Resulting Company 2, and the Resulting Company 2 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 2. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Demerged Company in relation to the Demerged Undertaking 2 are concerned, the same shall vest with and be available to the Resulting Company 2 on the same terms and





conditions as applicable to the Demerged Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Resulting Company 2.

- 16.5 It is hereby clarified that if any consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities and power of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking 2 to which the Demerged Company is a party, cannot be transferred to the Resulting Company 2 for any reason whatsoever, the Demerged Company shall hold such consents, agreements, permissions, all statutory or regulatory licenses, certificates, insurance covers, clearances, authorities and power of attorney, or other instruments of whatsoever nature in trust for the benefit of the Resulting Company 2.

17. STAFF, WORKMEN AND EMPLOYEES

- 17.1 Upon the Scheme becoming effective and with effect from the Effective Date, Resulting Company 2 undertakes to engage, without any interruption in service, all staff, workmen and employees engaged in or in relation to the Demerged Undertaking 2, on terms and conditions no less favourable than those on which they are engaged by the Demerged Company. Resulting Company 2 undertakes to continue to abide by any agreement / settlement or arrangement entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid staff, workmen and employees or union representing them. Resulting Company 2 agrees that the services of all such staff, workmen and employees of the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said staff, workmen and employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits. The decision on whether or not a staff, workmen or employee is part of the Demerged Undertaking 2 shall be decided by the Board of Directors of Demerged Company, and such decision shall be final and binding on all concerned Parties.
- 17.2 The accumulated balances, if any, standing to the credit of the aforesaid staff, workmen and employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by Resulting Company 2 and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognised by the Appropriate Authorities, by Resulting Company 2. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the said staff,





workmen and employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

- 17.3 With effect from the date of filing of the Scheme with the NCLT and up to and including the Effective Date, the Demerged Company shall not vary the terms and conditions of employment of any of the staff, workmen and employees pertaining to the Demerged Undertaking 2 except in the ordinary course of business or without the prior consent of the Board of Directors of Resulting Company 2 or pursuant to any pre-existing obligation undertaken by the Demerged Company.

18. LEGAL PROCEEDINGS

- 18.1 Upon the Scheme becoming effective, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) (“**Proceedings**”) by or against the Demerged Company under any statute, pending on the Appointed Date, relating to the Demerged Undertaking 2, shall be continued, and enforced by or against the Resulting Company 2 after the Effective Date, to the extent legally permissible. To the extent such Proceedings cannot be taken over by the Resulting Company 2, the Proceedings shall be pursued/ defended by the Demerged Company as per the instructions of and entirely at the costs and expenses of the Resulting Company 2. In the event that such liability is incurred or such claim, or demand is made upon the Demerged Company pertaining to the Demerged Undertaking 2, then the Resulting Company 2 shall reimburse and indemnify the Demerged Company for any payments made in relation to the same. The Demerged Company and the Resulting Company 2 shall take appropriate steps in the respective court or forum of the Proceedings before which they are pending to appropriately substitute the name of the plaintiff, defendant, petitioner, respondent or other in the cause title respectively from that of the Demerged Company to the name of the Resulting Company 2, on due approval or sanction of such court or forum as appropriate.

- 18.2 Any proceedings by or against the Demerged Company under any statute, pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date 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. The Resulting Company 2 shall in no event be responsible or liable for or in relation to any such Proceeding by or against the Demerged Company.

19. CONSIDERATION



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19.1 Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Demerged Undertaking 2 of Demerged Company with the Resulting Company 2 pursuant to this Scheme and subject to the provisions of this Scheme, the Resulting Company 2 shall, without any further application, act, deed, consent or instrument, issue and allot, on a proportionate basis, to each shareholder of the Demerged Company, whose name is recorded in the register of members as member of the Demerged Company as on the Record Date 2, as follows:

“1 (one) Equity Share of J M Baxi Dev Co of Re. 1 (Rupee One) each, credited as fully paid up, for every 1 (one) fully paid-up equity share of Re. 1 (Rupee One) each of J M Baxi held by such shareholders.”

19.2 The Equity Shares of Resulting Company 2 to be issued and allotted pursuant to the demerger of the Demerged Undertaking 2 into the Resulting Company 2 under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company 2 and shall rank pari passu in all respects with any existing Equity Shares of Resulting Company 2, if any, after the Effective Date including as regards entitlement to dividends and other distributions and repayment of capital declared or paid on or after the Effective Date, and voting and other rights attached to the Equity Shares of Resulting Company 2.

19.3 Subject to Applicable Law, the Equity Shares of Resulting Company 2 that are to be issued in terms of this Scheme shall be issued in dematerialized form. The register of equity shareholders and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company 2, the relevant depository in terms of Applicable Law shall (as deemed necessary by the Board of the Resulting Company 2) be updated to reflect the issue of the Equity Shares of Resulting Company 2 in terms of this Scheme.

19.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Resulting Company 2 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date 2, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date 2, in order to remove any difficulties arising to the transferor or transferee of Equity Shares in the Demerged Company, after the effectiveness of this Scheme.





- 19.5 The Equity Shares of Resulting Company 2 to be issued pursuant to this Scheme in respect of any Equity Shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise, shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.
- 19.6 Notwithstanding anything contained in the Scheme and subject to Applicable Law, until the Scheme becomes effective (i.e. on or before the Effective Date), the Resulting Company 2 is hereby permitted to issue shares, and, or, convertible instruments or any combination thereof including optionally convertible instruments on such terms and conditions as maybe approved by the Board of Directors of the Resulting Company 2, to the Demerged Company, for the efficient functioning of the business of the Resulting Company 2, to the end and intent that such issuance shall not affect the consideration as set out in clause 19.1 above, and do all such acts, deed and things as may be necessary to effect the foregoing including but not limited to increase, reclassify and/or restructure its authorised share capital in such manner and by such amount as may be necessary.
- 19.7 If necessary, the Resulting Company 2 shall before issue and allotment of the Equity Shares of Resulting Company 2 in term of the Scheme, increase, reclassify, and/or restructure its authorised share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 19.8 The issue and allotment of the Equity Shares of Resulting Company 2 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 2 or the Demerged Company or their shareholders and as if the procedure laid down under the Act, including Sections 42 and 62 of the Act and other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares of Resulting Company 2 to the shareholders of Demerged Company, and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Resulting Company 2 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of Equity Shares of Resulting Company 2 under the applicable provisions of the Act.

20. **ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY**

- 20.1 Notwithstanding anything to the contrary contained herein, the demerger of the Demerged Undertaking 2 from the Demerged Company to the Resulting Company 2 shall be accounted for, in the books of the Demerged Company, in accordance with



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Appendix A of Ind AS 10 'Distribution of Non-Cash Assets to Owners' and other applicable Ind AS as notified in the Ind AS Rules as follows:

- 20.1.1 The Demerged Company shall recognise a liability to distribute non cash assets to its owners measured at the fair value of the business of Demerged Undertaking 2 with a corresponding debit to the other equity as follows: (a) debiting the securities premium account to the extent of carrying value of net assets (carrying value of assets minus carrying value of liabilities of Demerged Undertaking 2) and (b) the balance amount (fair value of the business of Demerged Undertaking 2 minus carrying value of net assets of Demerged Undertaking 2) shall be debited against the retained earnings of the Demerged Company.
- 20.1.2 On the settlement of distribution liability, the Demerged Company shall derecognise from its books of accounts, the carrying amount of assets and liabilities pertaining to the Demerged Undertaking 2, transferred to the Resulting Company 2, in accordance with the provisions of this Scheme.
- 20.1.3 The difference between the carrying amount of distribution liability settled (clause 20.1.1) and carrying amount of the assets and liabilities of Demerged Undertaking 2 derecognised (clause 20.1.2), if any, shall be recognised in the statement of profit and loss of the Demerged Company.

21. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY 2

- 21.1 Notwithstanding anything to the contrary contained herein, the Resulting Company 2 shall account for the acquisition of Demerged Undertaking 2 of Demerged Company into the Resulting Company 2 in accordance with the principles of Ind AS as follows:
- 21.1.1 The Resulting Company 2 shall recognise the assets and liabilities of the Demerged Undertaking 2 of the Demerged Company vested in it pursuant to this Scheme, at the carrying values as appearing in the books of Demerged Company.
- 21.1.2 The Resulting Company 2 shall credit the aggregate face value of the Equity Shares of Resulting Company 2 issued and allotted by it as per Clause 19 above to the members of the Demerged Company to its share capital in its books of account.



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21.1.3 The difference, if any, between the net assets (i.e., the difference between the book value of assets and liabilities pertaining to the Demerged Undertaking 2) vested in the Resulting Company 2, and the face value of equity shares credited as per clause 21.1.2, shall be adjusted in other equity.

21.1.4 In case of any difference in accounting policy between the Demerged Undertaking 2 of the Demerged Company and the Resulting Company 2, the accounting policies followed by the Resulting Company 2 will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

PART IV - GENERAL TERMS AND CONDITIONS

22. ADJUSTMENT TO THE SECURITIES PREMIUM ACCOUNT OF THE DEMERGED COMPANY

22.1 The adjustment to the securities premium account of the Demerged Company (as per Clause 12.1.1. and Clause 20.1.1 above) shall be effected as an integral part of the Scheme, pursuant to the order of the NCLT sanctioning this Scheme, under Section 230 of the Act. The order of the NCLT sanctioning this Scheme shall also include approval and confirmation of such reduction in the securities premium account of the Demerged Company to the extent so required. Accordingly, as provided in the second explanation in Section 230 of the Act, the provisions of Section 66 of the Act shall not apply to such reduction of securities premium account of the Demerged Company, effected in pursuance of the said order of the NCLT.

Notwithstanding the reduction in the securities premium account of the Demerged Company, the Demerged Company shall not be required to add "And reduced" as a suffix to its name.

23. TREATMENT OF WRONG POCKETS ASSETS

23.1 In the event that, pursuant to the Scheme, the Demerged Company or Resulting Company 1 or Resulting Company 2 (as the case may be) is inadvertently or otherwise holding any asset (a) which relates to the Demerged Undertaking 1 that ought to have been, but has not been, transferred to the Resulting Company 1 as of the Effective Date,



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or (b) which relates to the Demerged Undertaking 2 that ought to have been, but has not been, transferred to the Resulting Company 2 as of the Effective Date, or (c) which relates to the Demerged Company that ought to have been, but has not been, retained with the Demerged Company, pursuant to the Scheme as of the Effective Date, then the Parties shall engage in good faith and do all such further acts and things and shall execute such documents as may be necessary to effect the transfer and vesting of such asset to the Demerged Company, Resulting Company 1 or Resulting Company 2 (as the case may be). Such transfer of assets shall be considered as an integral part of the 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 Demerged Company or the Resulting Companies.

24. COMPLIANCE WITH TAX LAWS

- 24.1 The Scheme has been drawn up in compliance with the conditions relating to 'Demerger' as specified under Section 2(19AA) of the IT Act. If any of the terms or provisions of the Scheme is / are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the IT Act at a later date, including resulting from an amendment of Applicable Law or for any other reason whatsoever, the provisions of Section 2(19AA) of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(19AA) of the IT Act. Such modifications will however not affect the other parts of the Scheme.
- 24.2 On or after the Effective Date, the Resulting Companies are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the purpose of claiming other tax benefits), service tax law, value added tax law, goods and services tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including foreign tax credit) and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective.
- 24.3 All tax assessment proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by or against the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2 pending and / or arising at the Appointed Date and relating to the Demerged Undertaking 1 and Demerged Undertaking 2 of the Demerged Company, shall be continued and / or enforced until the Effective Date as desired by the Resulting Company 1 and Resulting





Company 2 respectively. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Resulting Company 1 and Resulting Company 2, as the case may be, in the same manner and to the same extent as it would or might have been continued and enforced by or against the Demerged Undertaking 1 and Demerged Undertaking 2 of the Demerged Company respectively.

- 24.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of anything contained in the Scheme.
- 24.5 Any tax liabilities including but not limited to liabilities under the IT Act, Customs Act 1962, service tax laws, value added tax laws, goods and services tax laws or other Applicable Laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Demerged Undertaking 1 and Demerged Undertaking 2 of the Demerged Company, 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 the Resulting Company 1 and Resulting Company 2, respectively.
- 24.6 Any refund including but not limited to refund under the IT Act, foreign tax laws, Customs Act 1962, service tax laws, value added tax laws, goods and services tax laws or other Tax Laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Demerged Undertaking 1 and Demerged Undertaking 2 of the Demerged Company, consequent to the assessment made on the Demerged Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company 1 and Resulting Company 2 respectively, as the case maybe.
- 24.7 All taxes, including income-tax, foreign taxes, custom duty, service tax, goods and services tax, etc., paid or payable by the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2 in respect of their operations and / or the profits of the business of the Demerged Undertaking 1 and Demerged Undertaking 2 before the Appointed Date, shall be on account of the Demerged Company, and, in so far as it relates to the tax payment (including, without limitation, income-tax, custom duty, service tax, goods and service tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2, in respect of their profits or activities or operation of the Demerged Undertaking 1 and Demerged Undertaking 2 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company 1 and Resulting Company 2 respectively and shall, in all proceedings, be dealt with accordingly.



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- 24.8 Further, any tax deducted at source by the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2 on payables to the Resulting Company 1 and Resulting Company 2 respectively, or vice versa on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Resulting Company 1 and Resulting Company 2 respectively, and shall, in all proceedings, be dealt with accordingly.
- 24.9 Obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2, including but not limited to obligation under the IT Act, service tax laws, customs law, goods and services tax law or other Tax Laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Resulting Company 1 and Resulting Company 2, respectively.
- 24.10 Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, cenvat credit, goods and service tax credit, etc.) to which the Demerged Undertaking 1 and Demerged Undertaking 2 of the Demerged Company is entitled, shall be available to and vest in the Resulting Company 1 and Resulting Company 2 respectively, if eligible as per the provisions of the IT Act on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the Resulting Company 1 and Resulting Company 2, will be entitled to avail cenvat credit / goods and services tax credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2. Further, licenses issued to the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2 by regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Resulting Company 1 and Resulting Company 2 respectively, upon the Scheme becoming effective.
- 24.11 If any of the Resulting Companies is in receipt of any demand, claim, notice and/ or is impleaded as party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Company 1 or Resulting Company 2, as the case may be, shall take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company 1 or Resulting Company 2, as the case may be, with the Demerged Company. However, if any of the Resulting Companies is unable to replace the Demerged Company in such



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proceedings, the Resulting Company 1 or Resulting Company 2, as the case may be, shall defend the same or deal with such demand at the cost of the Demerged Company and the latter shall reimburse the Resulting Company 1 or Resulting Company 2, as the case may be, against all liabilities and obligations incurred by or against the the Resulting Company 1 or Resulting Company 2, as the case may be, in respect thereof.

25. REMAINING BUSINESS OF DEMERGED COMPANY

- 25.1 The Remaining Business of the Demerged Company and all the assets, properties, rights, liabilities, and obligations pertaining thereto, shall continue to belong to and be vested in and be owned and managed by Demerged Company and Resulting Companies shall have no right, claim, liabilities or obligation in relation to the Remaining Business of the Demerged Company by virtue of the Demerger.
- 25.2 All the legal, taxation and other proceedings whether civil or criminal (including before any statutory authority or quasi-judicial authority or tribunal) by or against Demerged Company under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in the future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of Demerged Company (including those relating to any property, right, power or liability, obligation or duty of Demerged Company in respect of the Remaining Business of Demerged Company and any income tax liability) shall be continued and enforced by or against Demerged Company even after the Effective Date.
- 25.3 Upto and including the Effective Date:
- 25.3.1 Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf.
- 25.3.2 All profits accruing to the Remaining Business or losses arising or incurred to the Remaining Business (including the effect of taxes, if any, thereon) shall for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and
- 25.3.3 All assets and properties acquired in relation to Remaining Business of the Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.



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25.4 Notwithstanding anything contained in the Scheme and subject to Applicable Law, until the Scheme becomes effective (i.e. on or before Effective Date), the Demerged Company is hereby permitted to issue shares, and, or, convertible instruments or any combination thereof including optionally convertible instruments on such terms and conditions as may be approved by the Board of Directors of the Demerged Company for the efficient functioning of the business of the Demerged Company or for any other purpose including for purposes of refinancing, repayment, conversion or prepayment of any loans of the Demerged Company, and do all such acts, deed and things as may be necessary to effect the foregoing including but not limited to increase, reclassify and/or restructure its authorised share capital in such manner and by such amount as may be necessary.

26. CONDUCT OF BUSINESS UNTIL AND AFTER THE EFFECTIVE DATE

26.1 Subject to Clause 6 and Clause 14 of the Scheme, with effect from the date of approval of this Scheme by the respective Boards and up to and including the Effective Date:

26.1.1 the Demerged Company undertakes to carry on and shall be deemed to have been carrying on all business activities relating to the Demerged Undertaking 1 and Demerged Undertaking 2 and preserve all the assets, rights, title, interest of the Demerged Undertaking 1 and Demerged Undertaking 2 for, the Resulting Company 1 and Resulting Company 2, respectively.

26.1.2 all income, receipts, profits accruing to the Demerged Company and attributable to the Demerged Undertaking 1 and Demerged Undertaking 2 and all taxes thereon or losses arising or incurred by it, till the Appointed Date, with respect to the Demerged Undertaking 1 and Demerged Undertaking 2 shall, for all purposes, be treated as and deemed to be the income, expenses, payments, profits, taxes or losses, as the case may be, of the Demerged Company.

26.1.3 the Demerged Company shall carry on the business of the Demerged Undertakings with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.

26.1.4 the Demerged Company shall not, without the written concurrence of Board of Directors of the Resulting Company 1 or Resulting Company 2 (as the case may be), sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of its properties of the Demerged Undertaking 1 or Demerged



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Undertaking 2 (as the case may be), except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Demerged Company and the Resulting Companies.

- 26.1.5 the Demerged Company shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees in relation to the Demerged Undertaking 1 and Demerged Undertaking 2.
- 26.1.6 the Demerged Company (with respect to the Demerged Undertakings) shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under the Applicable Law for such consents, approvals and sanctions which the Resulting Companies may require to carry on the business of the Demerged Undertakings and to give effect to the Scheme.
- 26.1.7 except with the consent of the Board of Directors of the Demerged Company, the Resulting Companies shall not make any change in its respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner effect the re-organisation of share capital of the Resulting Companies.
- 26.2 the Resulting Company 1 and Resulting Company 2 shall continue and carry on and shall be authorised to carry on the businesses carried on by the Demerged Undertaking 1 and Demerged Undertaking 2, respectively of the Demerged Company.
- 26.3 The Resulting Companies shall enter into and/or issue and/ or execute deeds writings or confirmation or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Resulting Companies shall be deemed to be authorised to execute any such deeds, writings, confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.
- 26.4 Upon coming into effect of the Scheme, the Resulting Companies and/or the Demerged Company shall, within reasonable dispatch / time lines apply for transition of all licenses and statutory registrations of the Demerged Company pertaining to Demerged Undertaking 1 and Demerged Undertaking 2 including but not limited to concession



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rights / licenses, insurance policies, permissions, certificates, market authorizations, filings, dossiers (including experience and pre-qualification submissions), industrial licenses, municipal permissions, approvals, consents, permits, quotas, incentives, subsidies and recognitions. The period between Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "Transition Period". During the Transition Period, the Resulting Companies may procure or use all such licenses, statutory registrations, concession rights / licenses, insurance policies, permissions, certificates, market authorizations, filings, dossiers (including experience and pre-qualification submissions), industrial licenses, municipal permissions, approvals, consents, permits, quotas, incentives, subsidies and recognitions in the name and form/format of the Demerged Company under any license and/or statutory registration, if any, while conducting the business of the Demerged Undertakings, with a view to avoid any disruption of business, to ensure continuity of business operations and uninterrupted services to its customers.

- 26.5 Notwithstanding anything contained in Clause 26.2 above, with effect from the Effective Date, any activity carried on by the Resulting Companies shall not be in violation of the charter documents of the Demerged Company and the Resulting Companies, as the case may be.

27. VALIDITY OF RESOLUTIONS

Upon the Scheme becoming effective, the resolutions passed by the Board of Directors and/or shareholders of the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2, as are considered necessary by the Board of Directors of the Resulting Company 1 and Resulting Company 2, as the case may be, and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Resulting Company 1 and Resulting Company 2 respectively, and if any such resolutions have monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Resulting Company 1 and Resulting Company 2 respectively, shall be added to the limits if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Resulting Company 1 and Resulting Company 2 respectively, and shall constitute the aggregate of the said limits in the Resulting Company 1 and Resulting Company 2 respectively, as the case maybe.

28. APPLICATION TO THE TRIBUNAL





The Companies, with all reasonable dispatch, shall make necessary applications / petitions jointly and / or severally before the Tribunal for the sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act.

29. MODIFICATIONS / AMENDMENTS TO THE SCHEME

29.1 The Companies, through their respective Board of Directors, may make and / or consent to such modifications / amendments to this Scheme or to any conditions or limitations that the Tribunal may deem fit to direct or impose or which may otherwise be considered necessary, by them or the Board, including the withdrawal of this Scheme or part thereof. The Board of Directors of the Companies shall take all such steps as may be necessary to resolve any doubts, difficulties, or questions, including interpretation of the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. The power of the Boards of Directors to modify/amend the Scheme shall be subject to the approval of the Tribunal. Further, the power of the Board of Directors to modify/amend the Scheme shall also be subject to the approval of lenders, in cases where such proposed modifications/amendments to the Scheme are detrimental to the financial obligations towards the lenders.

29.2 If any part of this Scheme hereof is invalid, ruled illegal by the Tribunal, or unenforceable under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Companies, then in such case the Companies, shall attempt to bring about a modification in the Scheme, as will best preserve, for the Companies, the benefits, and obligations of the Scheme, including but not limited to such part.

30. SAVING OF CONCLUDED TRANSACTIONS

Anything contained in the Scheme, shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2, till the Effective Date, to the end and intent that the Resulting Company 1 and Resulting Company 2 respectively, shall accept and adopt all acts, deeds and things made, done and executed by the Demerged Company relating to the Demerged Undertaking 1 and Demerged Undertaking 2, as acts, deeds and things made, done and executed by or on



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behalf of the Resulting Company 1 and Resulting Company 2 respectively, as the case maybe.

31. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

31.1 The Scheme is conditional upon and subject to:

- 31.1.1 the approval of the Scheme by the requisite majority of the respective members and creditors and such class of persons of the Companies, as required in terms of the applicable provisions of the relevant Act;
- 31.1.2 the sanction of the Tribunal, being obtained under Sections 230 to 232 of the Act and other applicable provisions of the Act, if so, required on behalf of the Companies;
- 31.1.3 the certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies; and
- 31.1.4 all other sanctions and approvals as may be required by law (including approvals from Appropriate Authorities or contracting party) in respect of this Scheme shall have been obtained, where such approval or consent is necessary.

32. EFFECT OF NON-RECEIPT OF APPROVALS

- 32.1 In the event of any of the said sanctions and approvals referred to in Clause 31 above not being obtained (or to the extent permissible under Applicable Law, not waived) and / or the Scheme not being sanctioned by the Tribunal or such other competent authority / Appropriate Authorities and/ or the sanction order(s) not being passed by the NCLT as aforesaid, the Demerged Company may opt to terminate this Scheme and the Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights 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.
- 32.2 Notwithstanding anything to the contrary contained in this Scheme, the Board of Directors of the Demerged Company shall be entitled to withdraw this Scheme prior to the Effective Date.
- 32.3 Upon the termination of this Scheme as set out in Clause 32.1 and 32.2 above, no rights and liabilities shall accrue to or be incurred by the Companies or their shareholders or



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creditors or employees or any other person. In such case, each Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

- 32.4 The Board of Directors of the Companies, shall be entitled to revoke, cancel, and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the Companies post the demerger.

33. COSTS

All costs, charges, levies, and expenses of the Companies, in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Resulting Company 1 and Resulting Company 2, unless otherwise determined by the Boards of Directors of the Companies.

34. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the business of the Demerged Undertaking 1 and Demerged Undertaking 2 of the Demerged Company, are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company 1 and Resulting Company 2 respectively, such company is deemed to be authorised to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till approval is obtained from the Appropriate Authorities, entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Resulting Company 1 and Resulting Company 2 respectively.

35. SEVERABILITY

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



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35.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

36. **REMOVAL OF DIFFICULTIES**

The Companies, through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

37. **BINDING EFFECT**

Upon the Scheme becoming effective, the same shall be binding on all the Companies, Appropriate Authority and all concerned parties without any further act, deed, matter, or thing.

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