

**SCHEME OF ARRANGEMENT AMONG MAGNUM VENTURES LIMITED
AND MAGNUM PAPERZ LIMITED,**

**AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER
SECTIONS 230 AND 232 READ WITH SECTION 66 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND
OTHER APPLICABLE LAWS**

A. Preamble and Overview of the Scheme

This Scheme of Arrangement ("Scheme") is framed pursuant to the provisions of Sections 230 and 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, together with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Section 2(1B) and other applicable provisions of the Income Tax Act, 1961, and other applicable laws, as may be in force from time to time.

The Scheme, inter alia, provides for:

- i. Demerger of 'Paper Business' (Demerged Undertaking) of Magnum Ventures Limited (the Demerged Company) into Magnum Paperz Limited (the Resulting Company), as a going concern; and
- ii. Matters incidental, consequential and integrally connected thereto.

B. Background and brief description of the Companies to the Scheme

I. Demerged Company-Magnum Ventures Limited

Magnum Ventures Limited, incorporated under the provisions of the Companies Act, 1956, has its registered office at Room No. 118, First Floor, MGM Commercial Complex, 4634/1, Plot No. 19, Ansari Road, Darya Ganj, New Delhi-110 002. The Company is engaged in paper manufacturing and hospitality business, other related and ancillary activities. Magnum Ventures Limited is a public limited company, listed on BSE and NSE.

II. Resulting Company-Magnum Paperz Limited

Magnum Paperz Limited, incorporated under the provisions of the Companies Act, 2013, has its registered office at 18/41, Industrial Area, Site-4, Sahibabad, Ghaziabad-201 010, Uttar Pradesh. The Company was recently incorporated on 22nd September, 2025 to carry on the business of manufacturing paper and paper products,



and other related and ancillary activities. Magnum Paperz Limited is a closely held, unlisted public limited, wholly owned subsidiary company of the Demerged Company.

- III.** Relevant corporate details of both the Companies are given in 'Clause-1: Definitions Clause' of this Scheme.
- IV.** The Demerged Company is a listed public limited company. Whereas the Resulting Company is a wholly owned subsidiary of the Demerged Company. Both the Companies in this Scheme are Group Companies under common management and control.
- V.** The proposed Scheme of Arrangement will not result in any change in management or control of any of the Companies in the Scheme.
- VI.** This Scheme is proposed in the interest of operational efficiency, business focus, organisational simplification and value creation for the shareholders and other stakeholders of the Companies.

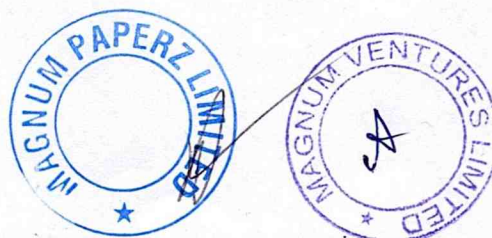
C. Detailed Rationale and benefits of the Scheme

The circumstances that justify and/or necessitate the proposed Scheme of Arrangement between Magnum Ventures Limited (the Demerged Company) and Magnum Paperz Limited (the Resulting Company), and the benefits of the proposed demerger, as perceived by the Boards of Directors of the said Companies, to their shareholders and other stakeholders, are set out below:

- i. Existing Business Verticals:** Magnum Ventures Limited (the Demerged Company) is engaged in two distinct business verticals, namely:
 - a. Paper Business:** The business of manufacturing paper and paper products from wastepaper through its manufacturing facilities located at Sahibabad, District Ghaziabad, Uttar Pradesh (Delhi NCR), together with all activities incidental or ancillary thereto.
 - b. Hotel Business:** The business of owning and operating a Five Star Hotel under the brand "Country Inn & Suites by Radisson", situated at Sahibabad, District Ghaziabad, Uttar Pradesh (Delhi NCR), together with all activities incidental or ancillary thereto. The said hotel has the distinction of being an all-vegetarian hotel formally certified as a Five Star Hotel by the Hotel & Restaurant Approval and Classification Committee (HRACC), Ministry of Tourism, Government of India.



- ii.** Distinct Nature of Businesses: The Paper Business and the Hotel Business are inherently different in nature, with distinct operational characteristics, risk profiles and regulatory requirements, and require separate management focus and specialised skill sets.
- iii.** Focused Business Strategy: The management of the Demerged Company proposes to hive off the Paper Business into a separate entity in order to create a focused and independent business structure for each business vertical.
- iv.** Operational and Strategic Flexibility: The proposed demerger will provide flexibility to manage the Demerged Company and the Resulting Company independently and to enter into different strategic alliances, partnerships and collaborations appropriate to each business in the future.
- v.** Optimised Capital Structure: The demerger will enable both the Demerged Company and the Resulting Company to adopt capital structures and financial policies aligned with their respective operational requirements and long-term strategic objectives.
- vi.** Improved Resource Mobilisation: The Scheme will facilitate each Company to attract and retain suitable manpower, raise funds, and invite strategic investors and other stakeholders independently, based on the needs of their respective businesses.
- vii.** Independent Growth and Expansion: The demerger will provide a platform for independent growth and expansion of each business vertical without exposing the entire organisation to the risks associated with the other business.
- viii.** Enhanced Management Focus: With a view to achieving greater management focus and keeping in mind the paramount and overall interests of the shareholders, the Boards of Directors of the Demerged Company and the Resulting Company have considered that a Scheme of Demerger is the most appropriate and efficient mechanism.
- ix.** Overall Stakeholder Benefit: The proposed Scheme of Demerger is expected to have a beneficial impact on the Demerged Company and the Resulting Company, their respective employees, shareholders and other stakeholders, and is in the overall interest of all concerned.



Accordingly, the Scheme of Arrangement is being proposed for the reasons detailed above. The Boards of Directors of the Demerged Company and the Resulting Company believe that the Scheme is fair, reasonable, commercially sound and in the best interests of all stakeholders.

1. DEFINITIONS, INTERPRETATION AND CAPITAL STRUCTURE OF THE COMPANIES

1.1 DEFINITIONS

In this Scheme and in all documents executed or issued pursuant to or in connection with this Scheme, unless the context otherwise requires or is repugnant to the meaning thereof, the following expressions shall have the meanings assigned to them below:

- 1.1.1 "Act" or "Companies Act, 2013"** means the Companies Act, 2013 (18 of 2013) and includes all rules, regulations, notifications, circulars, clarifications and guidelines made or issued thereunder, including, without limitation, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, and the National Company Law Tribunal Rules, 2016, and shall include any statutory amendment, modification, re-enactment or consolidation thereof for the time being in force.
- 1.1.2 "Applicable Law(s)"** means all applicable central, state, local or other laws, and includes, without limitation:
- a. all constitutions, statutes, laws (including common law), decrees, treaties, codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances and orders issued by any Appropriate Authority, statutory authority, competent authority, court or tribunal having jurisdiction over the Companies;
 - b. all Permits, approvals, consents and authorisations issued or granted by any Appropriate Authority; and
 - c. all orders, decisions, judgments, injunctions, awards, decrees and agreements of or with any Appropriate Authority having jurisdiction over the Companies to this Scheme,



and shall include, where applicable, any listing agreement or similar arrangement entered into with any stock exchange.

1.1.3 "Appointed Date" means the same date as the Effective Date, or such other date as may be approved by the Hon'ble National Company Law Tribunal, and shall be the date from which this Scheme shall be deemed to be operative for all accounting, legal and tax purposes.

Provided that the Board of Directors of the Demerged Company and the Resulting Company, may, with the approval of the Hon'ble National Company Law Tribunal or any other Appropriate Authority, mutually agree upon such other Appointed Date as may be required, directed or deem fit and proper by such Companies.

1.1.4 "Appropriate Authority" means, collectively, and wherever the context so requires:

- i. the Government of any jurisdiction, including any Central, State, provincial, municipal or local government or any political or administrative subdivision thereof, and any department, ministry, agency, instrumentality, court, central bank, commission or other authority of such government;
- ii. the Reserve Bank of India, the Securities and Exchange Board of India, the Real Estate Regulatory Authority(ies), the Directorate General of Shipping, and such other sectoral regulators or authorities as may be applicable; and
- iii. any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, taxation, importing or other governmental or quasi-governmental authority, including, without limitation, the National Company Law Tribunal and stock exchanges.

1.1.5 "Board" or "Board of Directors" means the respective Board of Directors of the Demerged Company and the Resulting Company, and shall, unless repugnant to the context or otherwise, include any committee thereof or any person(s) duly authorised by such Board of Directors or by any such committee to exercise the powers and functions of the Board.



1.1.6 "Companies", when used collectively, means the Demerged Company and the Resulting Company; and "Company" means any one of such Companies, individually, as the context may require.

1.1.7 "Demerged Company" means **Magnum Ventures Limited** being a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Room No. 118, First Floor, MGM Commercial Complex, 4634/1, Plot No. 19, Ansari Road, Darya Ganj, New Delhi-110 002, with e-mail address: cs_mvl@cissahibabad.in, and Website: www.magnumventures.in.

Magnum Ventures Limited [Corporate Identity Number (CIN): L21093DL1980PLC010492; Permanent Account Number (PAN): AAACM6054H] (hereinafter referred to as "the Demerged Company" or "the Company") was originally incorporated on 29th May, 1980, under the provisions of the Companies Act, 1956, as a private limited company in the name and style of "Magnum Papers Private Limited", pursuant to a Certificate of Incorporation issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. Subsequently, the Company was converted into a public limited company, and its name was changed to "Magnum Papers Limited" pursuant to a Fresh Certificate of Incorporation dated 31st May, 1995, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. Thereafter, the name of the Company was further changed to its present name, "Magnum Ventures Limited", pursuant to a Fresh Certificate of Incorporation dated 15th November, 2006, issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

It is hereby noted that the Demerged Company is in the process of shifting its registered office from the National Capital Territory of Delhi to the State of Uttar Pradesh, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. Upon completion of such change in registered office and issuance of the requisite order and issuance of new Corporate Identity Number (CIN) by the competent authority, the address of the registered office of the Demerged Company as stated in this Scheme shall stand automatically updated to reflect the new registered office address in the State of Uttar Pradesh, without requiring any further approval, consent, modification or sanction from any other authority. It is clarified that such change in registered office shall be procedural and



ministerial in nature and shall not be construed as a modification of any substantive term or condition of this Scheme.

1.1.8 "Demerged Undertaking" or "Demerged Business" means the "Paper Business" of Magnum Ventures Limited (the Demerged Company), together with all ancillary, incidental and support services and related activities, and all properties, assets, rights, interests, approvals, permits and powers, and all debts, liabilities, duties, obligations, litigations, employees and working capital (including inventories), whether tangible or intangible, to be transferred to and vested in Magnum Paperz Limited (the Resulting Company) as a going concern, with effect from the Appointed Date, in accordance with this Scheme, and shall include, without limitation, the following:

- i. **Operations and Activities:** The entire operations and activities of the 'Paper Business', including manufacturing of paper and paper products from wastepaper, together with all ancillary and related activities forming part of or incidental thereto.
- ii. **Assets and Properties:** All movable and immovable, tangible and intangible, present, future or contingent assets relating to the Demerged Undertaking, including land (freehold or leasehold), buildings, plant and machinery, electrical installations, equipment, furniture, fixtures, vehicles, stocks and inventories, work-in-progress, cash in hand, bank and escrow balances, deposits, receivables, advances, claims, rights, powers, authorities, approvals, allotments, consents, letters of intent, registrations, contracts, arrangements, titles, interests, benefits, advantages, goodwill, brands, tenancy and sub-letting rights, leave and license permissions, NOCs, Intellectual Property Rights (including trademarks, trade names, patents, copyrights, domain names, websites, portals, know-how), applications therefor, import quotas and other quota rights, utilities and service rights, provisions, funds and benefits, wherever situated, in India or abroad, pertaining to the Demerged Undertaking.
- iii. **Rights, Experience and Credentials:** All rights, claims, arbitration awards and proceedings, accumulated experience, goodwill, business reputation, credentials, accreditations, pre-qualifications, performance qualifications and performance history, including technical, financial and manufacturing qualifications, past work



experience and business track record; all building plans and drawings (together with approvals obtained or pending); all approved tenders, licenses, subsidies, grants, incentives, powers and facilities; and all other rights, interests and benefits of whatsoever nature arising out of or relating to the Demerged Undertaking.

- iv.** Tax Attributes: All tax credits, incentives, refunds and benefits relating to the Demerged Undertaking, including income tax (advance tax, TDS, self-assessment and regular tax), GST, VAT, service tax, excise, customs, input tax credits, and all other tax attributes and claims belonging to or attributable to the Demerged Undertaking.
- v.** Receivables and Advances: All receivables, loans, advances, accrued interest, earnest monies, security deposits, advance payments and other entitlements of the Demerged Company relating to the Demerged Undertaking.
- vi.** Liabilities: All debts, liabilities, duties and obligations, whether present or contingent, including funded and non-funded facilities, bank guarantees, performance guarantees, corporate guarantees and letters of credit, relating to the Demerged Undertaking, subject to lender consents wherever required.

For the purposes of this Scheme, liabilities relating to the Demerged Undertaking shall include:

- (a) liabilities arising out of the operations or activities of the Demerged Undertaking;
 - (b) specific borrowings raised and utilised solely for the Demerged Undertaking; and
 - (c) in other cases, such portion of general or multipurpose borrowings as bears the same proportion as the value of the assets transferred under the Demerger bears to the total assets of the Demerged Company immediately prior to the Demerger.
- vii.** Contracts and Projects: All contracts, agreements, arrangements and instruments, whether written or oral, including vendor and customer contracts, purchase and service orders, leases, licenses, insurance policies and claims, tenders, bids, letters of intent, operation and



maintenance contracts, and ongoing and completed projects forming part of the Demerged Undertaking, together with all rights and benefits thereunder.

- viii. Records and Data: All books, records, files, papers, manuals, drawings, software and licenses, databases, customer and supplier information, pricing and credit data, and all other records, whether physical or electronic, relating to the Demerged Undertaking.
- ix. Employees: All Transferring Employees.
- x. Litigation: All civil, criminal, quasi-judicial, arbitral and administrative proceedings relating to or arising from the Demerged Undertaking.

Clarifications

- a. Upon the Demerger becoming effective, all assets and liabilities relating to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company.
- b. The Resulting Company shall be entitled to use and rely upon the experience, credentials, qualifications, performance history, track record, contracts and completion certificates of the Demerged Company pertaining to the Demerged Undertaking for the purpose of participating in or qualifying for any tenders or projects.
- c. Any question as to whether any asset, liability, employee or other item pertains to the Demerged Undertaking shall be determined by the Board of Directors of the Demerged Company, and such determination shall be final and binding.
- d. The Proforma Balance Sheet of the Demerged Undertaking is set out in Schedule-1.

1.1.9 "Demerger" means the transfer and vesting, on a going concern basis, of the "Paper Business" of Magnum Ventures Limited (the Demerged Company) into Magnum Paperz Limited (the Resulting Company), pursuant to and in accordance with this Scheme, in its present form or with such modifications, amendments or conditions as may be approved, imposed or



directed by the Hon'ble National Company Law Tribunal or any other Appropriate Authority, as the case may be.

1.1.10 "Effective Date" means the last of the dates on which the certified copies of the order(s) of the Hon'ble National Company Law Tribunal sanctioning this Scheme are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any reference in this Scheme to "upon this Scheme becoming effective", "upon this Scheme coming into effect" or "effectiveness of this Scheme" shall be construed as a reference to the Effective Date.

It is, however, clarified that although this Scheme shall become operative from the Effective Date, the provisions of this Scheme shall be deemed to have taken effect from the Appointed Date. The Effective Date shall operate only as the trigger for implementation of the Scheme, and upon the Scheme becoming effective, all provisions hereof shall come into operation and be effective from the Appointed Date, in accordance with Section 232(6) of the Companies Act, 2013, and other applicable provisions, if any.

1.1.11 "Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any nature whatsoever securing or conferring any priority of payment in respect of any obligation of any person, and includes any right or interest arising from a transaction which, although not constituting the grant of security in legal form, has an economic or financial effect similar to the creation of security under Applicable Law(s); (a) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, right of first refusal or transfer restriction in favour of any person; and (b) any adverse claim relating to or affecting title, ownership, possession or use of any asset or property.

1.1.12 "FEMA" means the Foreign Exchange Management Act, 1999, together with all rules, regulations, notifications, circulars and directions made thereunder, and shall include any statutory amendment, modification, re-enactment or consolidation thereof for the time being in force.

1.1.13 "Hotel Business of the Demerger Company" means the business of owning and operating, by Magnum Ventures Limited, a Five Star Hotel under the brand "Country Inn & Suites by Radisson", situated at Sahibabad, District Ghaziabad, Uttar



Pradesh (Delhi NCR), together with all ancillary, incidental and support activities, assets, rights, benefits and obligations relating thereto.

1.1.14 "INR" or "₹" means the Indian Rupee, being the lawful and official currency of the Republic of India (currency code: 'INR', and its symbol: '₹').

1.1.15 "Intellectual Property Rights" means all intellectual property rights, whether registered or unregistered, owned by, vested in, licensed to, or recognised under Applicable Law(s) as belonging to and/or forming part of the Demerged Undertaking of the Demerged Company, or arising under common law, whether in India or abroad, including, without limitation:

- i. all trademarks, service marks, brand names, trade names, logos, insignia, domain names, internet websites, online portals, and all copyright in relation thereto, together with the goodwill associated therewith, and all applications, registrations, renewals and variations thereof;
- ii. all patents, whether granted or applied for, and all rights and interests therein;
- iii. all confidential and proprietary information, including trade secrets;
- iv. all published and unpublished works of authorship, copyrights therein, and all applications, registrations, renewals, extensions, restorations and reversions thereof;
- v. all computer software and programs, including source code, object code, firmware, operating systems, specifications and related processes;
- vi. all designs, drawings, sketches and layouts;
- vii. all tools, databases, frameworks, customer data, technical information, proprietary knowledge, technology, know-how, licenses, software licenses and formulas;
- viii. all ideas and all other intellectual property or proprietary rights of any nature; and
- ix. all rights, benefits and protections in respect of the foregoing as provided under Applicable Law(s).



- 1.1.16 "IT Act"** means the Income Tax Act, 1961, together with all rules, regulations, notifications, circulars and directions issued thereunder, and shall include any statutory amendment, modification, re-enactment or consolidation thereof for the time being in force.
- 1.1.17 "National Company Law Tribunal"** means the appropriate Bench or Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority as may have jurisdiction to sanction this Scheme and to deal with matters incidental or ancillary thereto, and shall hereinafter be referred to as the "Tribunal" or "NCLT".
- 1.1.18 "NCD"** means the secured, listed, non-convertible debentures of the Demerged Company, issued and outstanding in the Demerged Company as specified in **Annexure A**.
- 1.1.19 "New CRPS"** means 0% Non-cumulative Compulsorily Redeemable Preference Shares of face value INR 100 each, credited as fully paid-up, to be issued and allotted pursuant to this Scheme by the Resulting Company to the shareholders of the Demerged Company.
- 1.1.20 "New Equity Shares"** means Equity Shares of face value INR 10 each, credited as fully paid-up, to be issued and allotted pursuant to this Scheme by the Resulting Company to the shareholders of the Demerged Company.
- 1.1.21 "New Shares"**, when used collectively, means the New Equity Shares and New CRPS, issued pursuant to this Scheme.
- 1.1.22 "Paper Business of the Demerger Company"** means the business of manufacturing paper and paper products from wastepaper, carried on by Magnum Ventures Limited through its manufacturing facilities at Sahibabad, District Ghaziabad, Uttar Pradesh (Delhi NCR), together with all ancillary, incidental and support activities, assets, rights, benefits and obligations relating thereto.
- 1.1.23 "Permits"** means all consents, licences, permits, permissions, authorisations, rights, approvals, environmental approvals, customer approvals, no-objection certificates (NOCs), clearances, confirmations, declarations, waivers, exemptions, registrations, enlistments and filings, whether governmental,



statutory, regulatory or otherwise, granted or issued under Applicable Law(s).

1.1.24 "Person" means any individual, partnership, corporation, limited liability partnership, limited liability company, association, joint stock company, trust, joint venture, unincorporated organisation, or Appropriate Authority, as the context may require.

1.1.25 "Portals" means electronic portals and/or websites maintained or operated by Appropriate Authorities, government departments, public sector undertakings, private sector undertakings, banks, financial institutions and other entities or Persons, as the context may require.

1.1.26 "Record Date" means the date or dates to be fixed by the Board of Directors of the Demerged Company and/or the Resulting Company, for the purpose of determining the eligibility of the Equity Shareholders, Preference Shareholders and NCD Holders of the Demerged Company to receive New Equity Shares, New CRPS and NCDs, respectively, in the Resulting Company pursuant to the Demerger, and for such other matters as may be required under this Scheme.

1.1.27 "Registrar of Companies" or "ROC" means the concerned Registrar(s) of Companies under the Ministry of Corporate Affairs, having jurisdiction over the respective Companies in accordance with the Companies Act, 2013 and other applicable provisions, if any.

1.1.28 "Remaining Business" or "Residual Business of the Demerged Company" means all businesses, units, divisions, undertakings, activities and operations, together with all assets, properties, liabilities, obligations, investments, cash and bank balances and intellectual property rights of the Demerged Company, other than those forming part of the Demerged Undertaking under this Scheme. It is hereby clarified that all assets and corresponding liabilities relating to the Remaining Business shall continue to vest in and be retained by the Demerged Company and shall not form part of the Demerger.

Without prejudice to the generality of the foregoing, the Remaining Business of the Demerged Company shall include, inter alia, the following:



- i. **"Hotel Business"** being the business of owning and operating a Five Star Hotel under the Brand 'Country Inn and Suites by Radisson', in Sahibabad, District Ghaziabad, Uttar Pradesh in Delhi NCR Region, together with all ancillary, incidental and support activities, and all assets of whatsoever nature and description relating thereto, whether movable or immovable, real or personal, corporeal or incorporeal, tangible or intangible, present, future or contingent, forming part of or pertaining to such Transformer Business.
- ii. All trademarks, service marks, patents, domain names, copyrights, industrial designs, product registrations and all other intellectual property rights, whether registered or unregistered, owned by, licensed to or used by Magnum Ventures Limited, in relation to and for the purposes of its Remaining Business.

1.1.29 "Resulting Company" means **Magnum Paperz Limited** being a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at 18/41, Industrial Area, Site-4, Sahibabad, Ghaziabad-201 010, Uttar Pradesh, and e-mail address: magnumpaperzLtd@gmail.com.

Magnum Paperz Limited [Corporate Identity Number (CIN): U17013UP2025PLC233401; Permanent Account Number (PAN): AATCM9133G] (hereinafter referred to as "the Resulting Company" or "the Company") was incorporated on 22nd September, 2025, under the provisions of the Companies Act, 2013, as a public limited company, pursuant to a Certificate of Incorporation issued by the Central Registration Centre, on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.

1.1.30 "Scheme" means the present Scheme of Arrangement framed pursuant to the provisions of Sections 230 and 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, together with Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961, and other applicable laws, if any, which, inter alia, provides for the demerger of the "Paper Business" of Magnum Ventures Limited into Magnum Paperz Limited, as a going concern; and matters incidental, consequential and integrally connected thereto, in its present form or with such modifications, amendments or conditions as may be approved, imposed or directed by the members and/or creditors of the Companies to the Scheme and/or by any



Appropriate Authority, including the Hon'ble National Company Law Tribunal, or as may otherwise be deemed fit and agreed to by the Companies.



- 1.1.31 "SEBI" or the "Securities and Exchange Board of India"** means the Securities and Exchange Board of India, established as a statutory authority under the provisions of the Securities and Exchange Board of India Act, 1992.
- 1.1.32 "SEBI Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), read with the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November 2024, issued by the Securities and Exchange Board of India for compliance with the provisions of the SEBI LODR Regulations by listed entities, as amended, modified or supplemented from time to time.
- 1.1.33 "SEBI Scheme Master Circular"** means the Master Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/93 dated 20th June 2023, issued by the Securities and Exchange Board of India, relating to schemes of arrangement by listed entities and other related matters, as amended, modified or supplemented from time to time.
- 1.1.34 "SEBI Scheme Debt Circular"** means the Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated 21st May, 2024 issued by the Securities and Exchange Board of India, relating to listing obligations and disclosure requirements for non-convertible securities and other related matters, as amended, modified or supplemented from time to time.
- 1.1.35 "SEBI Regulations"** means, collectively, the SEBI Listing Regulations, the SEBI Scheme Master Circular and the SEBI Scheme Debt Circular, as amended, modified or supplemented from time to time.
- 1.1.36 "Stock Exchanges"**, when referred to collectively, means BSE Limited (Bombay Stock Exchange/BSE) and the National Stock Exchange of India Limited (National Stock Exchange/NSE); and "Stock Exchange" means any one of the aforesaid Stock Exchanges, individually, as the context may require.
- 1.1.37 "Taxation", "Tax" or "Taxes"** means all forms of taxes, and all statutory, governmental, state, provincial, international, local or municipal impositions, duties, contributions, levies or charges, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, value added or otherwise, and shall include, without limitation, any payments



on account of or in respect of tax, whether by way of deduction or collection at source, advance tax, minimum alternate tax or otherwise, attributable directly or indirectly to the Demerged Undertaking of the Demerged Company, or any other Person, together with all penalties, interest, charges and costs relating thereto.

1.1.38 "Transferring Employees" means: (a) all employees of the Demerged Undertaking as on the Effective Date; and (b) such other employees of the Demerged Company as may be identified or designated by the Demerged Company as on the Effective Date, who shall, pursuant to this Scheme, stand transferred in accordance with the employee transfer provisions hereof.

1.2 INTERPRETATION

Unless the context otherwise requires, terms and expressions used in this Scheme but not defined herein shall have the meanings respectively assigned to them under the Companies Act, 2013, and, if not defined therein, under the relevant Applicable Law(s).

In this Scheme, unless the context otherwise requires:

- i.** Words importing the singular shall include the plural, and vice versa.
- ii.** Headings, sub-headings and words in bold typeface are inserted for convenience only and shall not affect the construction or interpretation of this Scheme.
- iii.** References to clauses, sections or schedules shall, unless the context otherwise requires, be references to the clauses, sections or schedules of this Scheme.
- iv.** References to one gender shall include all genders.
- v.** The words "including", "include", "in particular" or any similar expression shall be construed as illustrative and not limiting the sense of the words preceding them.
- vi.** References to days, months and years shall mean calendar days, calendar months and calendar years, respectively, in accordance with the English calendar.
- vii.** References to "writing" shall include printing, typing, lithography and other means of reproducing words in a visible form.



- viii. Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any preceding words.
- ix. References in this Scheme to any statute or statutory provision shall be construed as references to:
- a. Any statutory modification, amendment, consolidation or re-enactment thereof for the time being in force.
 - b. Any subordinate legislation made from time to time under such statute or provision.
 - c. Any statutory instrument, order, rule or regulation made pursuant thereto.
 - d. Any corresponding provision of which such statute or statutory provision is a consolidation, modification or re-enactment.

1.3 CAPITAL STRUCTURE

- i. Capital Structure of the Demerged Company as on 27th February, 2026, being the date of approval of the Scheme by the Board of Directors of the Company, is given below:

Particulars	Amount (INR)
Authorised Capital	
8,43,25,000 Equity Shares of INR 10 each	84,32,50,000
30,00,000 Preference Shares of INR 100 each	30,00,00,000
Total	114,32,50,000
Issued, Subscribed and Paid-up Capital	
6,84,11,317 Equity Shares of INR 10 each fully paid-up	68,41,13,170
3,25,000 Compulsorily Redeemable Preference Shares of INR 100 each fully paid-up	3,25,00,000
Total	71,66,13,170

- ii. Capital Structure of the Resulting Company as on 27th February, 2026, being the date of approval of the Scheme by the Board of Directors of the Company, is given below:

Particulars	Amount (INR)
-------------	-----------------



Authorised Capital		
1,50,000 Equity Shares of INR 10 each		15,00,000
	Total	15,00,000
Issued, Subscribed and Paid-up Capital		
10,000 Equity Shares of INR 10 each fully paid-up		1,00,000
	Total	1,00,000

- iii. The Demerged Company has issued Secured Non-Convertible Debentures (NCD) which are listed on BSE and NSE. Status of these NCDs as on 27th February, 2026, being the date of approval of the Scheme by the Board of Directors of the Company, is given below:

Particulars	Amount (INR)
23,000 Secured Listed Non-Convertible Debentures (NCD)	61,45,00,000
Total	61,45,00,000

- iv. The Demerged Company is a listed public limited company. Equity Shares of the Demerged Company are listed on BSE and NSE. Non-Convertible Debentures of the Demerged Company are also listed on BSE and NSE.
- v. Whereas the Resulting Company is a wholly owned subsidiary of the Demerged Company. Accordingly, entire issued and paid-up Equity Share Capital of the Resulting Company is held by the Demerged Company and its nominee Shareholders.
- vi. Both the Companies in this Scheme are Group Companies under common management and control.
- vii. The proposed Scheme of Arrangement will not result in any change in management or control of any of the Companies in the Scheme.
- viii. This Scheme does not provide for any reclassification of the Promoters of the Companies.
- ix. There shall be no change in the issued and paid-up share capital, shareholding pattern or control of the unlisted Resulting Company during the pendency of this Scheme up to the Record Date, except pursuant to the implementation of this Scheme. Further,



there shall be no change in the issued and paid-up share capital, shareholding pattern or control of the Resulting Company from the Record Date until receipt of listing and trading approval from the Stock Exchanges, other than changes arising solely pursuant to the present Scheme of Arrangement.

2. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

2.1 Upon this Scheme becoming effective and with effect from the Appointed Date, pursuant to the provisions of Sections 230 and 232 of the Companies Act, 2013 and other applicable provisions, the Demerged Undertaking of the Demerged Company, as defined in Sub-clause 1.1.8 of this Scheme, as a going concern, shall, without any further act, instrument or deed, stand transferred to and vested in the Resulting Company by operation of law. Accordingly, all assets, properties, rights, interests, benefits, liabilities, obligations, contracts, arrangements, employees, permits, licenses, registrations, approvals, records, credentials, litigations and proceedings forming part of or relating to the Demerged Undertaking shall, with effect from the Appointed Date, become those of the Resulting Company.

2.2 Without prejudice to the generality of Clause 2.1 and unless otherwise stated, with effect from the Appointed Date:

2.2.1 All movable assets of the Demerged Undertaking, whether tangible or intangible and whether capable of transfer by delivery, endorsement, novation or otherwise, shall stand transferred to and vested in the Resulting Company. Upon the Scheme becoming effective, title thereto shall be deemed to stand mutated and recognised in favour of the Resulting Company.

2.2.2 All investments, actionable claims, loans, advances, earnest monies, receivables, bills, credits, deposits, bank balances and other amounts recoverable in cash or in kind pertaining to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company, which shall be entitled to recover and realise the same in its own name. Any investments pertaining to the Demerged Undertaking held by the Demerged Company in listed companies, whether under promoter or non-promoter category, shall vest in the Resulting Company, which shall continue in the same shareholder category for all regulatory purposes.



- 2.2.3 All immovable properties of the Demerged Company pertaining to the Demerged Undertaking, including land, buildings, structures, plant and machinery embedded or affixed thereto, whether freehold, leasehold, licensed or otherwise, together with all rights, easements, leasehold interests, security deposits and title documents relating thereto, shall stand transferred to and vested in the Resulting Company by operation of law. Filing of a certified copy of the NCLT order sanctioning this Scheme with the relevant authority shall be deemed to constitute sufficient mutation and substitution of title in favour of the Resulting Company, and no separate conveyance or instrument shall be required.
- 2.2.4 All trademarks, brands, copyrights, patents, domain names, trade names, industrial designs and other intellectual property rights, including pending applications, relating to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company.
- 2.3 With effect from the Appointed Date, all debts, liabilities, non-convertible debentures, other debt instruments, duties, obligations, and commitments of the Demerged Company exclusively relating to the Demerged Undertaking, whether present or contingent, secured or unsecured, shall stand transferred to and vested in the Resulting Company on the same terms and conditions.
- 2.4 All security interests, charges and encumbrances created by the Demerged Company in respect of the Demerged Undertaking shall continue only against the assets to which they related immediately prior to the Effective Date and shall not extend to any other assets of the Resulting Company. Likewise, existing security interests of the Resulting Company shall not extend to assets of the Demerged Undertaking beyond existing charges. The Demerger shall not be construed as the creation of any new charge. Necessary filings with the Registrar of Companies shall be made as required under Applicable Law.
- 2.5 With effect from the Effective Date, the Resulting Company shall be entitled to operate all bank and demat accounts of the Demerged Company relating to the Demerged Undertaking. For limited purposes of receiving refunds or payments in the name of the Demerged Company, the Resulting Company may maintain temporary accounts in such name, which shall not be used for regular operations.



- 2.6** All corporate approvals, resolutions and authorisations of the Demerged Company insofar as they relate to the Demerged Undertaking shall be deemed to be approvals of the Resulting Company.
- 2.7** All licences, permits, registrations, incentives, subsidies, tax benefits and entitlements pertaining to the Demerged Undertaking shall vest in the Resulting Company and continue on the same terms without interruption.
- 2.8** All taxes, refunds, credits, incentives, accumulated losses and other fiscal attributes directly relatable to the Demerged Undertaking shall stand transferred to the Resulting Company in accordance with Applicable Law, the Income Tax Act, 1961 and GST laws.
- 2.9** All contracts, work orders, tenders, bids, ongoing works, completed works and pending claims relating to the Demerged Undertaking shall stand transferred to and vest in the Resulting Company. For all tender eligibility, pre-qualification and experience criteria prescribed by CPWD, PWD, PSUs or any authority, the experience, credentials, work orders and financials of the Demerged Undertaking shall be deemed to be those of the Resulting Company. All security deposits, bank guarantees and contractual rights shall stand transferred accordingly.
- 2.10** The sanction and implementation of this Scheme shall not be construed as a ground for disqualification or rejection of any tender, registration, empanelment or contract of the Resulting Company. Any substitution of name shall be treated as a procedural formality only.
- 2.11** All inter-company transactions, balances and contracts between the Demerged Undertaking and the Resulting Company shall stand cancelled from the Effective Date.
- 2.12** Without prejudice to the other provisions of this Scheme and for the avoidance of doubt, all assets, properties, rights, interests, benefits, liabilities, obligations, duties and commitments of whatsoever nature, whether present or future, whether or not expressly referred to, described or identified in this Scheme, which are exclusively attributable to, or which relate to, or arise from, or are connected with the Demerged Undertaking, shall, by operation of law, stand transferred to and vested in the Resulting Company with effect from the Appointed Date. Similarly, any asset, right, interest, benefit, liability or obligation which is not



expressly identified in this Scheme, but which is capable of being reasonably regarded as forming part of, or arising from, or relating to the Demerged Undertaking, shall ipso facto be deemed to form part of the Demerged Undertaking and shall stand transferred to and vested in the Resulting Company without any further act, instrument or deed. It is further clarified that any such asset or liability discovered, identified or crystallised at any time after the Effective Date, but relating to the period prior to or on the Appointed Date and attributable to the Demerged Undertaking, shall also stand transferred to and vest in the Resulting Company as if expressly provided for in this Scheme.

- 2.13** The transfer and vesting of the Demerged Undertaking pursuant to this Scheme shall be effected by operation of law and may be subject to stamp duty, if any, as applicable under the relevant State laws. The Companies shall be entitled to claim all available exemptions, abatements or concessional stamp duty benefits under Applicable Law.

3. TAXES, DUTIES, CESS AND OTHER STATUTORY LEVIES

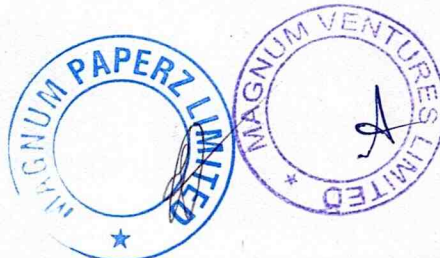
- 3.1** On or after the Effective Date, the Demerged Company and the Resulting Company, as the case may be, shall be entitled to revise, amend or file their respective financial statements, tax returns and statutory returns, together with all prescribed forms, filings and annexures, under the provisions of the Income-tax Act, 1961 (including recomputation under normal provisions and minimum alternate tax), the Wealth Tax Act, 1957, customs duty laws, central sales tax laws, applicable State value added tax laws, service tax laws, excise duty laws, goods and services tax laws, and any other Applicable Law dealing with taxes, duties, cess or levies, whether Central, State or local, as may be required to give effect to this Scheme and matters incidental thereto.
- 3.2** With effect from the Effective Date, all tax proceedings relating to the Demerged Undertaking, including assessments, reassessments, appeals, revisions, rectifications, audits, investigations, recovery proceedings or other proceedings of whatsoever nature, pending by or against the Demerged Company, shall be continued, prosecuted and enforced by or against the Resulting Company, as if such proceedings were originally initiated by or against the Resulting Company. Such proceedings shall not abate or be prejudicially affected by reason of the demerger.



- 3.3** All tax liabilities, whether ascertained or unascertained, disputed or undisputed, present or contingent, exclusively relating to the Demerged Undertaking, under applicable tax laws and to the extent not provided for in the accounts as on the date immediately preceding the Appointed Date, shall stand transferred to and become the liabilities of the Resulting Company. Any surplus in provisions for taxation, including advance tax, TDS, TCS or MAT credit relating to the Demerged Undertaking, shall likewise stand transferred to and vest in the Resulting Company.
- 3.4** All refunds, credits, incentives or benefits under applicable tax laws, including income-tax refunds, GST refunds, duty drawback, export incentives or similar benefits, arising from or attributable to the Demerged Undertaking, and not credited in the accounts as on the date immediately preceding the Appointed Date, shall belong to and be received by the Resulting Company.
- 3.5** Any tax payment made by the Demerged Company in respect of the Demerged Undertaking on or after the Appointed Date, whether by way of advance tax, self-assessment tax, deduction or collection at source or otherwise, shall be deemed to have been made by the Resulting Company and shall be dealt with accordingly. Any tax deducted at source on inter-se transactions relating to the Demerged Undertaking (where income is deemed not to accrue) shall be treated as advance tax of the Resulting Company.
- 3.6** All obligations relating to deduction or collection of tax at source on payments relating to the Demerged Undertaking shall, upon the Scheme becoming effective, be deemed to have been duly complied with by the Resulting Company.
- 3.7** All deductions otherwise admissible under applicable tax laws in respect of the Demerged Undertaking, including deductions allowable on actual payment or subject to tax deduction at source, shall be available to the Resulting Company in the same manner and to the same extent as would have been available to the Demerged Company.
- 3.8** Subject to the provisions of Section 72A read with Section 2(19AA) of the Income Tax Act, 1961, the accumulated losses and unabsorbed depreciation directly relating to the Demerged Undertaking, if any, shall be deemed to be the accumulated losses and unabsorbed depreciation of the Resulting Company.



- 3.9** The losses and unabsorbed depreciation as per the books of account of the Demerged Undertaking as on the date immediately preceding the Appointed Date, if any, shall be deemed to be the brought-forward losses and unabsorbed depreciation of the Resulting Company for computation of book profit and minimum alternate tax.
- 3.10** Without prejudice to the foregoing, all tax attributes exclusively attributable to the Demerged Undertaking, including accumulated losses, unabsorbed depreciation, MAT credit, TDS, foreign tax credits, indirect tax credits (GST, service tax, excise, VAT, CST) and customs duty benefits shall stand transferred to and vest in the Resulting Company, subject to Applicable Law.
- 3.11** Notwithstanding anything contained in this Scheme or in any Applicable Law, no Tax Authority shall deny, disallow, vary or restrict any tax benefit, deduction, exemption, set-off, credit, refund, carry-forward of losses or unabsorbed depreciation, incentive or concession to the Resulting Company solely on the ground that such benefit accrued to the Demerged Company prior to the Effective Date or on account of the demerger.
- 3.12** With effect from the Appointed Date, all GST registrations, electronic credit ledger balances, electronic cash ledger balances and all eligible input tax credit relatable to the Demerged Undertaking shall, subject to the provisions of GST laws, stand transferred to and vest in the Resulting Company.
- 3.13** The Resulting Company shall be entitled to undertake, file, revise or rectify any declaration, return, statement, application or procedural compliance required under GST laws to give effect to the transfer, carry-forward and utilisation of eligible input tax credit pursuant to this Scheme, notwithstanding prescribed time limits, to the extent permissible under law and recognised by judicial precedents.
- 3.14** It is expressly clarified that no input tax credit relating to the Demerged Undertaking shall lapse, expire or be forfeited merely on account of the demerger, and the Resulting Company shall be entitled to utilise such credit in accordance with GST laws.
- 3.15** All GST returns, assessments, audits, investigations, notices or proceedings relating to the Demerged Undertaking for periods prior to the Effective Date shall be continued by or against the Resulting Company, and any resulting refund or demand shall accrue to or be borne by the Resulting Company.



3.16 For the purposes of GST laws, the demerger of the Demerged Undertaking shall be treated as a transfer of business on a going concern basis, and all supplies, credits and compliances shall be dealt with accordingly.

4. PERMITS

- 4.1** With effect from the Appointed Date and pursuant to the provisions of Sections 230 and 232 of the Companies Act, 2013 and other applicable provisions, all permits, registrations, enlistments, approvals, consents, licenses and authorisations of whatsoever nature, whether statutory, regulatory, governmental or otherwise, held by or availed of by the Demerged Company and relating to the Demerged Undertaking, together with all rights, benefits, privileges, incentives and entitlements accrued thereunder, shall, without any further act, instrument or deed, stand transferred to and vested in, or be deemed to have been transferred to and vested in, and be available to, the Resulting Company. Accordingly, such permits, registrations, approvals, licenses, rights, title, interests and authorities shall, as from the Appointed Date, become the permits, assets, rights, title and interests of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions as were applicable to the Demerged Company in respect of the Demerged Undertaking immediately prior to the Appointed Date.
- 4.2** The benefits and obligations of all statutory and regulatory permissions relating to the Demerged Undertaking, including environmental approvals and consents, tax registrations (including GST and other indirect tax registrations), industrial licenses and similar approvals, shall vest in and become available to the Resulting Company pursuant to this Scheme. Further, all incentives, subsidies, concessions, special status and other benefits or privileges, whether fiscal or non-fiscal, enjoyed by, granted to or availed of by the Demerged Company in relation to the Demerged Undertaking, from any Government Authority, statutory body, local authority or other Person, shall vest in and be available to the Resulting Company on the same terms and conditions, without any interruption.
- 4.3** Upon the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, all concerned licensors, grantors and Appropriate Authorities shall, as may be necessary, mutate, endorse or record the name of the Resulting Company in place of the Demerged Company in respect of such permits, registrations,

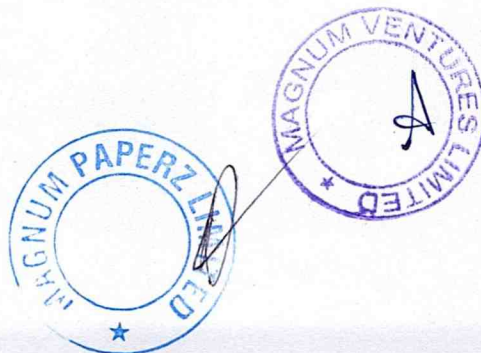


licenses and approvals, so as to facilitate the seamless continuation of the Demerged Undertaking by the Resulting Company.

- 4.4** Upon the Effective Date and until such time as the permits, registrations, licenses and approvals are formally transferred, recorded or perfected in the records of the relevant authorities in favour of the Resulting Company, the Resulting Company shall be entitled and authorised to carry on and continue the business and operations of the Demerged Undertaking under the existing permits, licenses and approvals. During such interim period, the Resulting Company shall maintain appropriate records and comply with applicable legal requirements in respect of operations carried out under such permits, licenses or approvals.
- 4.5** It is clarified that all incentives, subsidies, concessions, exemptions, rebates, grants and other benefits, whether fiscal or non-fiscal, relating to the Demerged Undertaking and available to the Demerged Company immediately prior to the Effective Date shall, to the extent permissible under Applicable Law, continue to be available to the Resulting Company without interruption.

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 5.1** Upon this Scheme becoming effective and subject to its provisions, all contracts, deeds, bonds, agreements, arrangements, understandings (whether written or oral) and other instruments of whatsoever nature, to which the Demerged Company is a party or to the benefit of which the Demerged Company is entitled, and which relate to or arise out of the Demerged Undertaking, and which are subsisting or in force as on the Appointed Date, shall, without any further act, instrument or deed, stand transferred to and remain in full force and effect in favour of or against the Resulting Company, as the case may be. All such contracts, deeds, bonds, agreements, arrangements, understandings and instruments shall be enforceable by or against the Resulting Company as fully and effectually as if the Resulting Company had been an original party, beneficiary or obligee thereto.
- 5.2** Without prejudice to the automatic transfer and vesting effected by this Scheme, the Resulting Company may, at any time after the Scheme becomes effective, if required under any Applicable Law or by any counter-party, execute such deeds, documents or writings, including deeds of adherence, confirmations, substitutions or novation agreements, in respect of any contract



or arrangement relating to the Demerged Undertaking, as may be necessary or desirable to formally give effect to this Scheme. For this purpose, the Resulting Company shall be deemed to be authorised to execute such documents on behalf of the Demerged Company, and to perform all acts, deeds and compliances necessary for the effective implementation of this Scheme.

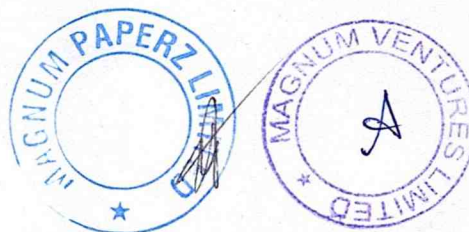
- 5.3** From the Effective Date and until the rights and obligations under such contracts or arrangements are formally recorded or recognised in the name of the Resulting Company, the Resulting Company shall be entitled to enforce, perform, complete and receive benefits under all contracts, arrangements and transactions relating to the Demerged Undertaking, and may, to the extent required, correspond, issue invoices, accept stock returns, issue credit notes and take all necessary actions in the name of or on behalf of the Demerged Company, and all such actions shall be deemed valid and binding.

6. LEGAL PROCEEDINGS

Upon this Scheme becoming effective, any suit, appeal, petition or other legal proceeding, including quasi-judicial, arbitral or administrative proceedings, of whatsoever nature, by or against the Demerged Company and relating to or arising out of the Demerged Undertaking, pending as on the Effective Date, shall not abate, be discontinued or be in any manner prejudicially affected by reason of the demerger, transfer and vesting of the Demerged Undertaking or anything contained in this Scheme. All such proceedings shall be continued, prosecuted, defended and enforced by or against the Resulting Company, in the same manner and to the same extent as such proceedings would or might have been continued, prosecuted, defended or enforced by or against the Demerged Company, as if this Scheme had not been implemented. It is clarified that the Resulting Company shall be entitled to be substituted in place of the Demerged Company in all such proceedings and no fresh proceeding, filing or consent shall be required solely by reason of such substitution.

7. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Undertaking into the Resulting Company and the continuance of proceedings by or against the Resulting Company, as provided under this Scheme, shall not affect, invalidate or otherwise impair any transactions, contracts, arrangements, acts, deeds, matters or proceedings lawfully concluded or completed by the Demerged Company in relation to the Demerged Undertaking prior to the Effective Date. Accordingly, the Resulting Company accepts, adopts and confirms all such acts, deeds, matters



and things done or executed by or on behalf of the Demerged Company in respect of the Demerged Undertaking prior to the Effective Date, and the same shall be deemed to have been done or executed by or on behalf of the Resulting Company, with the same force, validity and effect as if originally undertaken by the Resulting Company. Nothing contained in this Scheme shall be construed as authorising the reopening or renegotiation of any contract, transaction or matter lawfully concluded prior to the Effective Date.

8. STAFF, WORKMEN AND EMPLOYEES

- 8.1** Upon this Scheme becoming effective, all Transferring Employees of the Demerged Company who are in service as on the Effective Date shall, without any further act or deed, stand transferred to and become the staff, workmen and employees of the Resulting Company with effect from the Effective Date. Such transfer shall be without any break or interruption in service, and with continuity of service, on terms and conditions of employment which shall not be less favourable than those applicable to them in the Demerged Company immediately prior to the Effective Date.
- 8.2** Upon the Scheme becoming effective, all provident fund, gratuity fund, superannuation fund, employee state insurance contributions, trusts, schemes or other employee welfare benefits, whether statutory or contractual, insofar as they relate to or are attributable to the employees transferred pursuant to Clause 8.1, shall:
- i. continue on the same terms and conditions; or
 - ii. be transferred to and merged with the corresponding funds, trusts or schemes maintained by the Resulting Company; or
 - iii. be continued under such new or existing arrangements as may be adopted or created by the Resulting Company,

in each case, in compliance with applicable law.

Upon such transfer or continuation, the Resulting Company shall stand substituted in place of the Demerged Company for all purposes relating to the administration, operation and funding of such trusts, funds or schemes, including the obligation to make contributions thereto.



It is expressly clarified that all rights, duties, powers and obligations of the Demerged Company in relation to such employee benefit funds, trusts or schemes to the extent attributable to the transferred employees shall become those of the Resulting Company, and that the services of such employees shall be treated as continuous for all purposes, including for determining benefits under such funds, trusts or schemes.

- 8.3** Pending the formal transfer or merger of the aforesaid employee benefit funds, the provident fund, gratuity fund and superannuation fund contributions and dues in respect of the employees transferred pursuant to this Scheme shall continue to be deposited in the existing provident fund, gratuity fund and superannuation fund accounts of the Demerged Company, as applicable, in accordance with law, and shall thereafter be appropriately transferred or adjusted in favour of the Resulting Company.

9. CONDUCT OF BUSINESS OF THE DEMERGED UNDERTAKING BY THE DEMERGED COMPANY UPTO THE EFFECTIVE DATE

From the Appointed Date until the Effective Date:

- 9.1** From the Appointed Date, the Demerged Company shall stand possessed of all the assets and properties forming part of the Demerged Undertaking in trust for the Resulting Company. Accordingly, any asset or property acquired by the Demerged Company on or after the Appointed Date in relation to or for the purposes of the Demerged Undertaking shall be deemed to have been acquired for and on behalf of, and shall vest in, the Resulting Company upon this Scheme becoming effective.
- 9.2** The Demerged Company shall be deemed to have carried on and conducted the business and activities of the Demerged Undertaking for and on behalf of, and for the benefit and account of, the Resulting Company.
- 9.3** All income, profits or receipts accruing to the Demerged Company and all costs, charges, expenses or losses arising or incurred by the Demerged Company in relation to the Demerged Undertaking on or after the Appointed Date shall, for all purposes, be treated as the income, profits, costs, charges, expenses or losses, as the case may be, of the Resulting Company.
- 9.4** Any rights, powers, authorities or privileges exercised by the Demerged Company in respect of the Demerged Undertaking



during the said period shall be deemed to have been exercised for and on behalf of, and in trust for, the Resulting Company. Likewise, any obligations, duties or commitments undertaken or discharged by the Demerged Company in relation to the Demerged Undertaking shall be deemed to have been undertaken or discharged for and on behalf of the Resulting Company.

- 9.5** All debts, liabilities, loans raised and utilised, duties and obligations which arise, accrue or are incurred by the Demerged Company in connection with or attributable to the Demerged Undertaking on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Resulting Company.
- 9.6** During the period from the Appointed Date until the Effective Date, the Demerged Company shall not, in respect of the Demerged Undertaking, without the prior written consent of the Board of Directors of the Resulting Company or except pursuant to any pre-existing obligation sell, transfer, alienate, assign or otherwise dispose of; mortgage, charge or encumber; or deal with the whole or any substantial part of the Demerged Undertaking, otherwise than in the ordinary course of business.

10. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 10.1** Upon this Scheme becoming effective, the Remaining Business of the Demerged Company, together with all assets, properties (including immovable properties), investments, rights, interests, liabilities, obligations and commitments relating thereto, shall continue to belong to, vest in and be carried on by the Demerged Company, and nothing contained in this Scheme shall be deemed to transfer or affect the same in any manner.
- 10.2** All legal, tax, regulatory or other proceedings, claims, demands, assessments, investigations or actions of whatsoever nature, whether pending as on the Effective Date or instituted at any time thereafter, relating to or arising out of the Remaining Business of the Demerged Company, including in respect of any property, right, power, liability, obligation or duty thereof, shall be continued, prosecuted and enforced by or against the Demerged Company alone. The Resulting Company shall not be responsible or liable, directly or indirectly, for any such proceedings or matters relating to the Remaining Business.
- 10.3** In the event any proceeding, claim or action relating to the Remaining Business is initiated or continued against the Resulting



Company, the Resulting Company shall defend the same in accordance with the instructions of the Demerged Company and at the cost and expense of the Demerged Company. The Demerged Company shall fully indemnify and hold harmless the Resulting Company from and against all liabilities, losses, costs, expenses, penalties or obligations incurred in connection therewith.

10.4 Conversely, if any proceeding, claim or action relating to the Demerged Undertaking is initiated or continued against the Demerged Company, the Demerged Company shall defend the same in accordance with the instructions of the Resulting Company and at the cost and expense of the Resulting Company. The Resulting Company shall fully indemnify and hold harmless the Demerged Company from and against all liabilities, losses, costs, expenses, penalties or obligations incurred in connection therewith.

10.5 With effect from the Appointed Date and including the Effective Date and thereafter:

a. The Demerged Company shall be deemed to have carried on, and shall continue to carry on, all activities and operations relating to its Remaining Business for its own account and benefit; and

b. All income, profits, losses, costs, charges and expenses arising from or relating to the Remaining Business shall, for all purposes, be treated as the income, profits, losses, costs or expenses of the Demerged Company alone.

10.6 With effect from the Appointed Date, the Remaining Business of the Demerged Company, together with the assets and properties forming part thereof, shall be deemed to be released and discharged from all encumbrances, charges or security interests relating exclusively to the Demerged Undertaking, and such encumbrances shall thereafter attach only to the Demerged Undertaking as transferred to the Resulting Company, in accordance with this Scheme.

11. CONSIDERATION FOR DEMERGER

11.1 Upon this Scheme finally coming into effect and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in accordance with the provisions of this Scheme, the Resulting Company shall,



without any further act, application or deed, issue and allot New Shares to the shareholders of the Demerged Company whose names appear in the Register of Members and/or list of Beneficial Owners, as received from the Depositories, as the case may be, as on the Record Date, in the following manner:

- 11.1.1** The Resulting Company shall issue and allot two (2) New Equity Shares of face value of INR 10 each, credited as fully paid-up, to the Equity Shareholders of the Demerged Company for every ten (10) Equity Shares of face value of INR 10 each held by them in the Demerged Company.
- 11.1.2** The Resulting Company shall issue and allot nine (9) New Compulsorily Redeemable Preference Shares of face value of INR 100 each, credited as fully paid-up, to each of the Compulsorily Redeemable Preference Shareholders of the Demerged Company for every ten (10) Compulsorily Redeemable Preference Shares of face value of INR 100 each held by them in the Demerged Company, on the same terms and conditions.
- 11.2** Fractional entitlements arising out of the aforesaid exchange process for Equity Shares and Compulsorily Redeemable Preference Shares, (as mentioned in Clause 11.1.1 and 11.1.2, respectively, above), if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Resulting Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Resulting Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Resulting Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.
- 11.3** New Equity Shares and New Preference Shares to be issued and allotted in terms of Clause 11.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company. The New Equity Shares so issued and allotted shall rank pari passu in all respects, including voting rights and dividend entitlement, with the existing equity shares, if any, of the Resulting Company.
- 11.4** The issue and allotment of New Shares by the Resulting Company in accordance with the provisions of this Scheme shall be deemed to be an integral part of this Scheme. Upon approval of this



Scheme by the members of the Resulting Company and sanction thereof by the Hon'ble National Company Law Tribunal, the members of the Resulting Company shall be deemed to have accorded their approval under the provisions of Sections 42, 55 and 62 of the Companies Act, 2013, and other applicable provisions, if any, for the issue and allotment of such New Shares, and no separate resolution or further act shall be required.

- 11.5** Approval of this Scheme by the shareholders of the Resulting Company shall also be deemed to be the approval of the shareholders for enabling investment by Foreign Institutional Investors (FIIs) / Registered Foreign Portfolio Investors (FPIs), under the Portfolio Investment Scheme, in the issued and paid-up Equity Share Capital of the Resulting Company, up to the applicable sectoral caps and investment limits, in accordance with applicable law. Upon the Scheme becoming effective, the Resulting Company shall intimate the Reserve Bank of India, as required, and shall comply with all applicable provisions of the Foreign Exchange Management Act, 1999, the Foreign Exchange Regulations, and other laws and regulations for the time being in force, as may be applicable.
- 11.6** In the event of there being any pending share transfer(s) in the Demerged Company, the Board of Directors, including any committee thereof, of the Demerged Company and/or the Resulting Company shall be empowered, in appropriate cases, either prior to or subsequent to the Record Date, to give effect to such transfer(s) in the Demerged Company as if such changes in the registered holders were operative on the Record Date, for the purpose of removing any difficulty in relation to the issue and allotment of New Shares pursuant to this Scheme.
- 11.7** If any shares of the Demerged Company are held in abeyance, under dispute or subject to any legal restraint, the corresponding equity shares to be issued by the Resulting Company pursuant to this Scheme shall also be kept in abeyance and shall be dealt with in accordance with applicable law until such restraint is resolved.
- 11.8** The New Equity Shares and New Preference Shares to be issued by the Resulting Company to the shareholders of the Demerged Company pursuant to this Scheme shall be issued only in dematerialised form and shall be credited to the existing depository accounts of the respective Equity Shareholders and Preference Shareholders of the Demerged Company. Shareholders of the Demerged Company holding shares in



physical form shall be entitled to receive the New Equity Shares and New Preference Shares of the Resulting Company only in dematerialised form, provided that the details of their depository account are intimated in writing to the Resulting Company and/or its Registrar and Transfer Agent ("RTA"), and such intimation is received at least seven (7) days prior to the Record Date.

In the event that the requisite depository account details are not received from any shareholder holding shares in physical form at least seven (7) days prior to the Record Date, the New Equity Shares and New Preference Shares otherwise issuable to such shareholder shall be kept in abeyance and/or credited to an escrow account, suspense account, or an account held with a trustee nominated by the Board of Directors of the Resulting Company, for the benefit of such shareholder, or shall be dealt with in such other manner as may be permitted under Applicable Law. Such New Equity Shares and New Preference Shares shall be credited to the respective dematerialised accounts of the concerned shareholders upon receipt of the requisite depository account details, duly furnished in writing to the Resulting Company and/or its RTA, in accordance with Applicable Law.

- 11.9** It is clarified that, in the event of any change in the capital structure of the Demerged Company, including but not limited to sub-division or consolidation of shares, issue of bonus shares, rights issue, preferential issue, or any other similar corporate action, or in the event of any material accounting changes, at any time prior to the Record Date, the Share Exchange Ratio specified in Clause 11.1 of this Scheme may be suitably adjusted, if and to the extent required, to take into account the impact of such changes.

Any such adjustment shall be carried out with the mutual consent of the respective Boards of Directors of the Demerged Company and the Resulting Company, and upon such approval, the revised Share Exchange Ratio shall be deemed to form an integral part of this Scheme, as if originally provided herein.

- 11.10** It is further clarified that the provisions of this Scheme relating to the issue and allotment of New Shares by the Resulting Company shall not apply to any share application money, if any, outstanding in the books of the Demerged Company as on the Record Date, and such share application money shall be dealt with in accordance with the Applicable Law and the terms governing such application money.



12. REDUCTION OF SHARE CAPITAL OF THE DEMERGED COMPANY

12.1 Upon this Scheme becoming effective and after the issue and allotment of New Shares by the Resulting Company to the shareholders of the Demerged Company in accordance with this Scheme, the Demerged Company shall, for the purpose of giving effect to the Demerger and reflecting the same in its books of account, reduce its issued, subscribed and paid-up share capital in the following manner:

- i. The issued, subscribed and paid-up equity share capital of the Demerged Company shall be reduced by seventy per cent (70%) on a proportionate basis. Accordingly, seven (7) equity shares of face value INR 10 each out of every ten (10) equity shares of face value INR 10 each held by each equity shareholder of the Demerged Company as on the Record Date shall stand cancelled and extinguished.
- ii. The issued, subscribed and paid-up preference share capital of the Demerged Company shall also be reduced by ninety per cent (90%) on a proportionate basis. Accordingly, nine (9) compulsorily redeemable preference shares of face value INR 100 each out of every ten (10) compulsorily redeemable preference shares of face value INR 100 each held by each preference shareholder of the Demerged Company as on the Record Date shall stand cancelled and extinguished.

12.2 As a consequence of the reduction referred to in Clause 12.1 above, upon the Scheme becoming effective:

- i. For every ten (10) equity shares of face value INR 10 each held in the Demerged Company as on the Record Date, the equity shareholders shall thereafter hold three (3) equity shares of face value INR 10 each, credited as fully paid-up, and the balance seven (7) equity shares of face value INR 10 each shall stand cancelled and extinguished, without any further act, instrument or deed.
- ii. For every ten (10) compulsorily redeemable preference shares of face value INR 100 each held in the Demerged Company as on the Record Date, the preference shareholders shall thereafter hold one (1) compulsorily redeemable preference share of face value INR 100 each, credited as fully paid-up, and the balance nine (9) compulsorily redeemable preference shares of face value INR 100 each shall stand



cancelled and extinguished, without any further act, instrument or deed.

12.3 Fractional entitlements, if any, arising pursuant to the aforesaid reduction of equity share capital and Compulsorily Redeemable Preference Shares, shall be aggregated and held by a trust to be nominated by the Board of Directors of the Demerged Company for this purpose. The trustee shall sell such aggregated shares in the market at such price and within such period, not exceeding ninety (90) days from the date of giving effect to the reduction, as may be determined in accordance with this Scheme and Applicable Law. The Demerged Company shall submit to the Designated Stock Exchange a report from its Audit Committee and Independent Directors certifying that the eligible equity shareholders have been duly compensated against their respective fractional entitlements, within seven (7) days of such compensation.

12.4 The equity shares and preference shares remaining with the shareholders of the Demerged Company pursuant to the aforesaid reduction of share capital shall be held and credited only in dematerialised form and shall be credited to the existing demat accounts of the shareholders. Shareholders holding shares in physical form shall be entitled to receive such shares only in dematerialised form, subject to intimation of their depository account details in writing to the Demerged Company and/or its Registrar and Transfer Agent ("RTA") at least seven (7) days prior to the Record Date.

In the event such depository account details are not received within the aforesaid period, the shares otherwise creditable to such shareholders shall be kept in abeyance and/or credited to an escrow account, suspense account, or an account held with a trustee nominated by the Board of Directors of the Demerged Company, for the benefit of such shareholders, or dealt with in such other manner as may be permitted under Applicable Law. Such shares shall be credited to the respective demat accounts upon receipt of the requisite details, in accordance with Applicable Law.

12.5 The Demerged Company shall take all necessary steps, actions and filings to give effect to the aforesaid reduction of share capital, including undertaking the requisite corporate actions with the Depositories, stock exchanges and other relevant authorities, as may be required under Applicable Law.



12.6 It is expressly clarified that the aforesaid reduction of share capital of the Demerged Company:

- i. does not involve any diminution of liability in respect of unpaid share capital;
- ii. does not involve any payment to any shareholder of any paid-up share capital; and
- iii. does not constitute a buy-back of shares within the meaning of the Companies Act, 2013 or any other Applicable Law.

12.7 It is further clarified that the aforesaid reduction of share capital shall not adversely affect the interests or rights of any creditor of the Demerged Company, and that the approval of this Scheme by the shareholders and creditors of the Demerged Company and its sanction by the Hon'ble National Company Law Tribunal shall be deemed to be full and sufficient compliance with the provisions of Section 66 read with Sections 230 and 232 of the Companies Act, 2013. No separate application, resolution or sanction shall be required for the said reduction.

13. CANCELLATION OF SHARE CAPITAL OF THE RESULTING COMPANY

13.1 Pursuant to the provisions of this Scheme, the Resulting Company shall, *inter alia*, issue and allot new equity shares to the equity shareholders of the Demerged Company in consideration of the transfer and vesting of the Demerged Undertaking. It is the intent and objective of this Scheme that, upon the Scheme becoming effective, the equity shareholding pattern of the Resulting Company shall mirror the equity shareholding pattern of the Demerged Company, such that the same set of equity shareholders shall hold equity shares in the Demerged Company and the Resulting Company in the same proportion.

13.2 In order to achieve the aforesaid mirror shareholding structure, and upon this Scheme becoming effective, the entire issued, subscribed and paid-up equity share capital of the Resulting Company as existing immediately prior to the Effective Date shall stand cancelled and extinguished, without any further act, instrument or deed and without any payment being made to any shareholder of the Resulting Company against such cancellation. It is expressly clarified that no consideration, cash or otherwise, shall be paid by the Resulting Company to any shareholder in respect of such cancellation.



13.3 It is further clarified that the aforesaid cancellation of the equity share capital of the Resulting Company:

- i. does not involve any diminution of liability in respect of unpaid share capital;
- ii. does not involve any payment to any shareholder of any paid-up share capital; and
- iii. does not constitute a buy-back of shares within the meaning of the Companies Act, 2013 or any other Applicable Law.

13.4 It is further clarified that the aforesaid cancellation of share capital shall not adversely affect the interests or rights of any creditor of the Resulting Company, and the approval of this Scheme by the shareholders and creditors of the Resulting Company and its sanction by the Hon'ble National Company Law Tribunal shall be deemed to be full and sufficient compliance with the provisions of Section 66 read with Sections 230 and 232 of the Companies Act, 2013, and no separate application, resolution or sanction shall be required for the said reduction.

14. UPON THIS SCHEME BECOMING EFFECTIVE

14.1 None of the Companies shall be dissolved pursuant to this Scheme.

14.2 Upon this Scheme becoming effective, the Demerged Company shall continue to exist as a going concern. Its issued, subscribed and paid-up share capital shall stand reduced only to the extent and in the manner expressly provided in Clause 12 (Reduction of Share Capital of the Demerged Company) of this Scheme. Except for such reduction, the shareholders of the Demerged Company shall continue to hold equity shares and preference shares therein, and their shareholding shall stand adjusted proportionately in accordance with this Scheme.

14.3 Upon this Scheme becoming effective, and in consideration of the transfer and vesting of the Demerged Undertaking, the Resulting Company shall issue and allot New Shares to the shareholders of the Demerged Company in accordance with Clause 11 (Consideration for Demerger) of this Scheme. Such issue and allotment shall constitute the sole and exclusive consideration for the Demerger.



- 14.4** Upon this Scheme becoming effective, the entire issued, subscribed and paid-up equity share capital of the Resulting Company as existing immediately prior to the Effective Date shall stand cancelled and extinguished, without any payment being made to any shareholder and without any further act, deed or instrument, in the manner provided under Clause 13 (Cancellation of Share Capital of the Resulting Company) of this Scheme. Such cancellation is undertaken to achieve mirror shareholding between the Demerged Company and the Resulting Company and shall not involve any diminution of liability in respect of unpaid share capital; or any payment to any shareholder of paid-up share capital.
- 14.5** Upon this Scheme becoming effective, any crossholding of shares, if any, existing as on the Record Date between the Demerged Company in respect of the Demerged Undertaking and the Resulting Company shall stand cancelled and extinguished, without any further act, deed or instrument.
- 14.6** The Demerged Company and the Resulting Company shall account for the Demerger in their respective books of account in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the rules made thereunder, and Generally Accepted Accounting Principles, in the manner set out in the Accounting Treatment given in this Scheme. For this purpose, the Demerged Company and/or the Resulting Company may utilise their respective reserves and surplus, including securities premium or any other permissible reserves, strictly in accordance with applicable law and accounting standards.
- 14.7** It is expressly clarified that:
- i.** the reduction of share capital of the Demerged Company under Clause 12;
 - ii.** the cancellation of pre-Scheme share capital of the Resulting Company under Clause 13;
 - iii.** the cancellation of crossholdings, if any; and
 - iv.** the utilisation of reserves and surplus,

are integral, inseparable and consequential parts of this Scheme. The approval of this Scheme by the shareholders and/or creditors of the Demerged Company and the Resulting Company, as applicable, and its sanction by the Hon'ble National Company Law Tribunal under Sections 230 and 232 of the Companies Act, 2013, shall be deemed to constitute full and sufficient compliance with



Section 66 of the Companies Act, 2013, and no separate resolution, petition or approval under Section 66 shall be required.

It is further clarified that the aforesaid actions do not constitute a buy-back of shares; and do not require the use of the words "and reduced" in the names of either company.

- 14.8** It is expressly clarified that no creditor of the Demerged Company or the Resulting Company shall be prejudicially affected by the implementation of this Scheme, including the reduction or cancellation of share capital or utilisation of reserves contemplated herein.
- 14.9** Upon this Scheme of Arrangement becoming effective, the authorised share capital of the Demerged Company shall be transferred to the Resulting Company to the extent of INR fifty crore (INR 50 crore). Accordingly, the authorised share capital of the Resulting Company shall stand increased by INR fifty crore (INR 50 crore). Simultaneously, the authorised share capital of the Demerged Company shall stand reduced by INR fifty crore (INR 50 crore), being the amount of authorised share capital so transferred to the Resulting Company.
- 14.10** In accordance with the provisions of the Companies Act, 2013 and other Applicable Law, if any, the fees already paid on the aforesaid authorised share capital shall be set off against the fees payable by the Resulting Company on such increase in its authorised share capital. The Resulting Company shall pay only the balance fees, if any, payable after giving effect to such set-off.
- 14.11** Clause V (Capital Clause) of the Memorandum of Association and the relevant Articles of Association, if any, of the Demerged Company and the Resulting Company shall, without any further act, instrument or deed, stand modified so as to give effect to the aforesaid changes in the authorised share capital.

Accordingly, Clause V (Capital Clause) of the Memorandum of Association of the Demerged Company and the Resulting Company shall stand substituted as under:

- i. Magnum Ventures Limited: The Authorised Capital of the Company is INR 64,32,50,000/- (INR Sixty Four Crores Thirty Two Lakhs Fifty Thousand Only) divided into 6,38,25,000 (Six Crores Thirty Eight Lakhs Twenty Five Thousand) Equity



Shares of INR 10/- (Rupees Ten) each and 50,000 (Fifty Thousand) Preference Shares of INR 100/- (Rupees One Hundred) each.

- ii. Magnum Paperz Limited: The Authorised Capital of the Company is INR 50,15,00,000/- (Rupees Fifty Crores Fifteen Lakhs Only) divided into 4,71,50,000 (Four Crores Seventy One Lakhs Fifty Thousand) Equity Shares of INR 10/- (Rupees Ten) each and 3,00,000 (Three Lakhs) Preference Shares of INR 100/- (Rupees One Hundred) each.

14.12 The approval of this Scheme of Arrangement by the shareholders of the Demerged Company and the Resulting Company and its sanction by the Hon'ble National Company Law Tribunal shall be deemed to constitute sufficient approval for such modification, and no separate approval shall be required in this regard, save as required under Applicable Law.

14.13 Save as expressly provided in this Scheme, the Demerged Company and/or the Resulting Company may, to the extent necessary for the effective implementation of this Scheme, increase, reclassify, consolidate, subdivide or otherwise modify their respective authorised share capital in accordance with the provisions of the Companies Act, 2013 and other Applicable Law. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company and its sanction by the Hon'ble National Company Law Tribunal shall be deemed to constitute all requisite approvals for such increase or modification, subject to payment of applicable statutory fees, and no separate shareholder or regulatory approval shall be required.

15. ACCOUNTING TREATMENT FOR DEMERGER

15.1 Upon this Scheme becoming effective, the Demerger of Demerged Undertaking of the Demerged Company into Resulting Company, together with all matters incidental or ancillary thereto, shall be accounted for in accordance with the provisions of the Companies Act, 2013, the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (including Ind AS 103-Business Combinations), and Generally Accepted Accounting Principles ("GAAP"), as applicable.

15.2 Accordingly, upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall give effect to the Demerger in their respective books of account by applying the "Pooling of Interests Method", as prescribed under Appendix C of



Ind AS 103 (Business Combinations), read with other applicable Indian Accounting Standards and GAAP.

15.3 In terms of Appendix C of Ind AS 103, the Pooling of Interests Method, inter alia, entails the following:

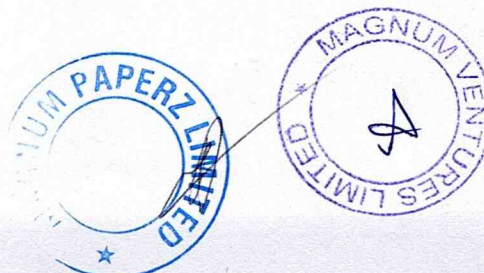
- i. The assets and liabilities of Demerged Undertaking shall be recorded at their respective carrying amounts.
- ii. No adjustments shall be made to reflect fair values or to recognise any new assets or liabilities, except for adjustments required to harmonise accounting policies.
- iii. The financial information for prior periods presented in the financial statements shall be restated as if the Demerger had occurred from the beginning of the preceding period presented, and if the Demerger had occurred after such date, the prior period information shall be restated only from that date.
- iv. The identity of reserves relating to the Demerged Undertaking shall be preserved and reflected in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company.

15.4 Without prejudice to the generality of the foregoing, the following accounting treatment shall be given effect to in the books of the Companies:

15.4.1 In the Books of the Demerged Company

15.4.1.1 All assets and liabilities pertaining to Demerged Undertaking, which cease to be assets and liabilities of the Demerged Company pursuant to the Demerger, shall be derecognised from the books of account of the Demerged Company at their respective carrying values as on the Appointed Date. The difference between such carrying values of assets and liabilities shall be referred to as the "Net Assets" or "Net Book Value of Assets" of the Demerged Undertaking.

15.4.1.2 The balances under the head "Reserves and Surplus" of the Demerged Company shall be reduced proportionately, in the same ratio as the Net Assets Value of Demerged Undertaking bears to the total Net Assets Value of the



Demerged Company immediately prior to the Demerger, as on the Appointed Date.

- 15.4.1.3 Any inter-corporate loans, advances, payables, receivables or other balances between the Demerged Undertaking and the Resulting Company shall stand cancelled, and corresponding effect shall be given in the books of the Demerged Company.
- 15.4.1.4 The share capital of the Demerged Company shall be reduced in accordance with Clause 12 of this Scheme.
- 15.4.1.5 Any surplus or deficit arising pursuant to the Demerger, after giving effect to Sub-clause 15.4.1.1 to 15.4.1.4 above, shall be transferred to Capital Reserve in the books of the Demerged Company.

15.4.2 In the Books of the Resulting Company

- 15.4.2.1 The Resulting Company shall record the assets and liabilities pertaining to Demerged Undertaking, vested in it pursuant to this Scheme, at their respective carrying values as appearing in the books of the Demerged Company as on the Appointed Date.
- 15.4.2.2 The Resulting Company shall record in its books the corresponding balances of Reserves and Surplus reduced from the books of the Demerged Company in terms of Sub-clause 15.4.1.2 above.
- 15.4.2.3 Any inter-corporate loans, advances, payables or receivables between the Demerged Undertaking and the Resulting Company shall stand cancelled, and corresponding accounting effect shall be given in the books of the Resulting Company.
- 15.4.2.4 The Resulting Company shall cancel its pre-Scheme equity share capital in accordance with Clause 13 of this Scheme.
- 15.4.2.5 The Resulting Company shall credit its Share Capital Account with the aggregate face value of the New Shares issued to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme.



15.4.2.6 Any surplus or deficit arising pursuant to the Demerger, after giving effect to Sub-clause 15.4.2.1 to 15.4.2.5 above, shall be transferred to Capital Reserve in the books of the Resulting Company.

15.5 Notwithstanding anything contained herein, the Board of Directors of the Demerged Company and the Resulting Company, in consultation with their respective Statutory Auditors, shall be entitled to finalise and implement such accounting treatment as may be required to ensure compliance with Section 133 of the Companies Act, 2013, the applicable Indian Accounting Standards, GAAP and other applicable provisions of law.

16. STEPS FOR EFFECTIVE IMPLEMENTATION OF THE SCHEME

16.1 Upon this Scheme becoming effective, the Demerged Company and the Resulting Company shall take all necessary, incidental and consequential steps to ensure the smooth, seamless and uninterrupted transfer, vesting and continuation of the Demerged Undertaking into the Resulting Company and for the effective implementation of this Scheme in its true letter and spirit.

16.2 Upon the Scheme becoming effective, the Resulting Company shall, as may be required or considered appropriate, intimate and furnish certified copies of the order of the Hon'ble National Company Law Tribunal sanctioning this Scheme to:

- i. customers, vendors, suppliers and counterparties relating to the Demerged Undertaking;
- ii. Central and State Government departments, statutory, regulatory and tax authorities;
- iii. banks, financial institutions, trustees, debenture holders and lenders, to the extent relating to the Demerged Undertaking; and
- iv. any other person or authority whose records, approvals, permissions or consents are required to be updated,

for the purposes of taking the Scheme on record and effecting substitution of the Resulting Company as the successor-in-interest of the Demerged Undertaking in place of the Demerged Company.



16.3 Upon such intimation, and notwithstanding any requirement for formal endorsement, amendment or novation, all customers, authorities and third parties shall recognise and treat the Resulting Company as the lawful successor-in-interest of the Demerged Undertaking and shall give effect to this Scheme in their respective records, including substitution of name, updation of registrations, licenses, approvals, contracts and bank account details, insofar as they relate to the Demerged Undertaking.

16.4 Any delay, omission or failure on the part of any customer, Government authority, statutory body, regulator or third party in effecting or recording such substitution or updation shall not:

- i. affect the validity, enforceability or implementation of this Scheme;
- ii. prejudice the rights, obligations or entitlements of the Resulting Company in respect of the Demerged Undertaking; or
- iii. be construed as a breach or non-compliance by the Demerged Company or the Resulting Company under this Scheme or under any Applicable Law.

16.5 Pending completion of such substitutions or procedural formalities, the Resulting Company shall be entitled to:

- i. continue to carry on and operate the business of the Demerged Undertaking;
- ii. perform, enforce and receive benefits under all contracts, approvals and arrangements relating to the Demerged Undertaking; and
- iii. correspond, invoice, receive payments and discharge obligations,

as the successor-in-interest of the Demerged Undertaking, and all such actions shall be deemed to be valid, lawful and binding.

16.6 It is clarified that this Clause is facilitative, enabling and clarificatory in nature and shall be interpreted so as to give full effect to the implementation of this Scheme. All authorities and third parties are requested to act upon the Scheme and the NCLT Order in a pragmatic, non-technical and implementation-oriented manner, consistent with the intent and object of Sections 230 and



232 of the Companies Act, 2013 and Section 2(19AA) of the Income-tax Act, 1961.

17. FACILITATION AND TRANSITIONAL ARRANGEMENTS

17.1 Immediately upon this Scheme becoming effective, the Demerged Company and the Resulting Company may, to the extent considered necessary or expedient for effective implementation of this Scheme and continuity of operations of the Demerged Undertaking, enter into such transitional, facilitative or support arrangements, including but not limited to shared services agreements, sub-contracting or sub-licensing arrangements, infrastructure and office space usage arrangements; and arrangements relating to information technology, finance, accounts, taxation, audit, secretarial, legal, human resources, payroll, security, administrative and other support services.

17.2 It is clarified that all such arrangements shall:

- a. be entered into in the ordinary course of business;
- b. be on an arm's length basis;
- c. be for such limited duration as may be commercially required; and
- d. be on such commercial terms and consideration as may be mutually agreed between the Demerged Company and the Resulting Company.

17.3 It is expressly clarified that:

- i. the execution of such facilitation or transitional arrangements shall not affect the transfer and vesting of the Demerged Undertaking as a going concern; and
- ii. such arrangements are purely facilitative in nature and shall not be construed as retention of ownership, control or beneficial interest by the Demerged Company in the Demerged Undertaking.

18. PROPERTY AND RIGHTS HELD IN TRUST

18.1 Notwithstanding anything contained in this Scheme, pending the recording, mutation, endorsement or perfection of transfer of any property, asset, permit, license, approval, consent, contract,



agreement or right forming part of the Demerged Undertaking in favour of the Resulting Company, in the records of any Appropriate Authority or Person, the Resulting Company shall be entitled to enjoy, exercise and enforce all rights, benefits and entitlements relating thereto, as if it were the owner thereof or the original party thereto, with effect from the Appointed Date.

- 18.2** Until such recording, mutation or perfection is completed, and to the extent required, the Demerged Company shall hold such property, asset, permit, approval, license or right in trust and for the benefit of the Resulting Company and shall not deal with the same except in accordance with the directions or for the benefit of the Resulting Company.
- 18.3** It is clarified that any asset or liability identified as forming part of the Demerged Undertaking, but whose transfer is pending due to any approval, consent, sanction or procedural formality, shall be deemed to be held in trust by the Demerged Company for and on behalf of the Resulting Company, with effect from the Appointed Date.
- 18.4** Immediately upon receipt of such approval, consent or sanction, such asset or liability shall, without any further act, deed or consideration, stand transferred to and vested in the Resulting Company with effect from the Appointed Date, together with all attendant rights, obligations and benefits.
- 18.5** All costs, expenses, payments and liabilities incurred by the Demerged Company in connection with holding such assets or liabilities in trust or in facilitating their transfer shall be borne by the Resulting Company, and the Resulting Company shall indemnify and keep indemnified the Demerged Company against all claims, losses or liabilities arising therefrom.

19. COMPLIANCE WITH INCOME TAX ACT

- 19.1** It is clarified that this Scheme is undertaken for bona fide business and commercial reasons, including operational focus, risk segregation and value optimisation. The Demerger is intended to qualify as a "demerger" under Section 2(19AA) of the Income-tax Act, 1961 and shall be implemented accordingly. The provisions of this Scheme relating to Demerger have been drawn up to comply with the conditions relating to "demerger" as defined under Section 2(19AA) read with other applicable provisions of the Income Tax Act, 1961.



19.2 The present Scheme of Arrangement will result in the following:

- i.** All the property and assets of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger, shall become the property and assets of the Resulting Company by virtue of the present Demerger.
- ii.** All the liabilities relating to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger, shall become the liabilities of the Resulting Company by virtue of the Demerger. The liabilities relating to the Demerged Undertaking shall include the following:
 - (a) The liabilities which arise out of the activities or operations of the Demerged Undertaking.
 - (b) The specific loans or borrowings (including debentures) raised, incurred and utilised solely for the activities or operations of the Demerged Undertaking.
 - (c) In cases, other than those referred to in clause (a) or clause (b), so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company as stand in the same proportion which the value of the assets transferred in the Demerger bears to the total value of the assets of the Demerged Company immediately before the Demerger.
- iii.** The property and the liabilities of the Demerged Undertaking being transferred by the Demerged Company shall be transferred at values appearing in the books of account of the Demerged Company immediately before the Demerger. For determining the value of the property of the Demerged Undertaking, any change in the value of assets consequent to their revaluation shall be ignored.

Provided that the provisions of this sub-clause shall not apply where the Resulting Company records the value of the property and the liabilities of the Demerged Undertaking at a value different from the value appearing in the books of account of the Demerged Company, immediately before the Demerger, in compliance with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015.

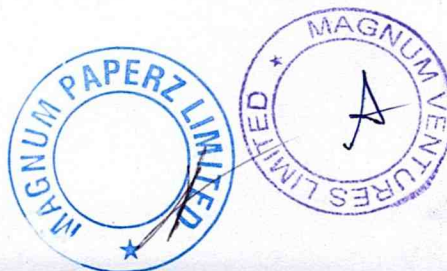


- iv. The Resulting Company will issue, in consideration of the Demerger, its shares, credited as fully paid, to all the shareholders of the Demerged Company on a proportionate basis except where the Resulting Company is itself a shareholder of the Demerged Company.
- v. The shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the Demerger by, or by a nominee for, the Resulting Company or its subsidiary) shall become shareholders of the Resulting Company by virtue of the Demerger.
- vi. The transfer of the Demerged Undertaking shall be on a going concern basis.

19.3 It is expressly clarified that if, at any time, any provision of this Scheme relating to the Demerger is found, construed or interpreted to be inconsistent with, or does not fully comply with, the requirements of Section 2(19AA) of the Income-tax Act, 1961, whether by reason of any amendment, re-enactment or substitution of law, introduction of new legislation, judicial or administrative interpretation, or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income-tax Act, 1961, or the corresponding provisions of any amended or newly enacted law, shall prevail. To the extent necessary to ensure such compliance, this Scheme shall be deemed to stand modified, amended or adjusted, without requiring any further act, approval or sanction, so as to fully conform to the requirements of Section 2(19AA) of the Income-tax Act, 1961 or such corresponding law. Any such modification shall not affect, invalidate or impair the remaining provisions of this Scheme. The Board of Directors of the Demerged Company and/or the Resulting Company is hereby expressly authorised to make, carry out and implement all such modifications, amendments or adjustments as may be necessary or expedient to ensure compliance with the aforesaid provisions, and such power may be exercised at any time in the best interests of the Companies and their shareholders.

20. COMPLIANCE WITH SEBI REGULATIONS AND LISTING OF THE RESULTING COMPANY

20.1 The Equity Shares of the Demerged Company are presently listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").



- 20.2** In accordance with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Listing Regulations, the SEBI Scheme Master Circular, and other applicable laws, rules and regulations, the Equity Shares of the Resulting Company shall be listed on BSE and NSE, and on such other stock exchange(s) on which the Equity Shares of the Demerged Company are listed as on the Effective Date.

Accordingly, upon this Scheme becoming effective, the entire post-Scheme issued and paid-up Equity Share Capital of the Resulting Company, comprising the New Equity Shares issued to the shareholders of the Demerged Company pursuant to this Scheme, shall be listed and admitted to trading on BSE, NSE and such other stock exchange(s) on which the Equity Shares of the Demerged Company are listed as on the Effective Date.

It is clarified that pursuant to this Scheme, the entire pre-Scheme Equity Share Capital of the Resulting Company, being held by the Demerged Company, shall stand cancelled and extinguished without any payment to any shareholder.

- 20.3** The Resulting Company shall make all necessary applications to the Stock Exchanges, SEBI and other appropriate authorities, and shall comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Scheme Master Circular, the Listing Agreement and other applicable laws and regulations in this regard. Upon receipt of the requisite applications and documents, the Stock Exchanges and SEBI shall, in accordance with law, grant the necessary approvals for listing and trading.
- 20.4** In the event that any shareholding of the Promoters in the Resulting Company and/or any New Shares issued by the Resulting Company pursuant to this Scheme are subject to lock-in by the Stock Exchanges, SEBI or any other competent authority, in accordance with the SEBI Regulations, Listing Agreement or other applicable law, such locked-in shares may, notwithstanding such lock-in, be transferred inter-se among the promoters, strictly in compliance with the applicable provisions of the SEBI Regulations.



- 20.5** Notwithstanding any applicable lock-in provisions, the locked-in Equity Shares may be pledged in favour of any scheduled commercial bank or public financial institution as collateral security for loans, where such pledge is a condition of the sanction of the loan, in accordance with applicable law.
- 20.6** The New Equity Shares allotted by the Resulting Company pursuant to this Scheme shall remain frozen in the depositories system until trading approval is granted by the Designated Stock Exchange. The Resulting Company shall comply with all applicable requirements in this regard.
- 20.7** In terms of the SEBI Listing Regulations and the SEBI Scheme Master Circular, the Scheme shall be subject to approval by the Public Shareholders (i.e., shareholders other than the Promoters and Promoter Group) of the Demerged Company through e-voting and such other means as may be applicable. The Scheme shall be acted upon only if the votes cast in favour of the Scheme by the Public Shareholders exceed the votes cast against it.
- 20.8** BSE Limited shall act as the Designated Stock Exchange for the purposes of this Scheme.
- 20.9** Notwithstanding anything contained herein, the Demerged Company and the Resulting Company shall comply with all applicable provisions of SEBI Regulations, securities laws and stock exchange requirements in connection with this Scheme and all matters incidental or ancillary thereto.
- 20.10** The Compulsorily Redeemable Preference Shares presently issued by the Demerged Company are not listed on any recognised stock exchange. The Compulsorily Redeemable Preference Shares remaining outstanding in the Demerged Company after the reduction of share capital pursuant to this Scheme shall continue to remain unlisted.
- 20.11** It is further clarified that the Resulting Company neither proposes nor is required under Applicable Law to list the New Non-Cumulative Compulsorily Redeemable Preference Shares to be issued pursuant to this Scheme on any recognised stock exchange.

21. IMPACT OF THE SCHEME ON NON-CONVERTIBLE DEBENTURE HOLDERS



- 21.1** The non-convertible debentures forming part of the Demerged Undertaking shall, pursuant to this Scheme, be transferred to and vest in the Resulting Company, on a going-concern basis, on the same terms and conditions as applicable prior to such transfer, including, inter alia, the coupon rate, tenure, redemption price, quantum, ranking, security cover, nature of security, covenants, and all other rights, obligations and entitlements attached thereto. The Demerged Company and the Resulting Company shall take all actions and execute all documents as may be necessary to give effect to such transfer and vesting.
- 21.2** It is hereby clarified that the proposed Scheme does not entail any modification, variation or amendment to the existing terms and conditions of the non-convertible debentures issued by the Demerged Company.
- 21.3** The Resulting Company shall take all necessary steps to obtain the requisite listing and trading approvals from the stock exchange(s) on which such non-convertible debentures are listed as on the Effective Date. Upon receipt of such approvals, the non-convertible debentures shall continue to remain listed and freely tradable, without any interruption, thereby ensuring continuity of liquidity and exit options for the non-convertible debenture holders.
- 21.4** The Resulting Company shall have the financial capacity to service interest and redemption obligations in respect of the non-convertible debentures as and when they fall due. Further, the promoters of the Demerged Company have undertaken to provide necessary financial support, if required, to enable the Resulting Company to meet its obligations towards the non-convertible debenture holders. Accordingly, the Scheme shall not be prejudicial to, or adversely affect, the interests of the non-convertible debenture holders.
- 21.5** The additional disclosures required to be made in terms of the SEBI circular(s) governing schemes of arrangement involving listed debt securities are set out in Annexure A to this Scheme.

22. NO COMPROMISE WITH CREDITORS

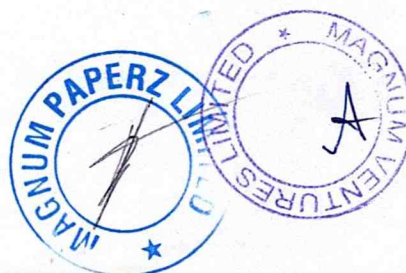
This Scheme does not constitute a compromise or arrangement with the creditors of any of the Companies to the Scheme and does not in any manner adversely affect the rights or interests of such creditors. Further, this Scheme does not involve or amount to any corporate debt restructuring or rescheduling of liabilities within the meaning of the



Companies Act, 2013 or any other applicable law. It is affirmed that the assets and financial resources of the Companies are more than sufficient to meet and discharge all liabilities of their creditors in full, as and when they fall due.

23. APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL AND OTHER APPROPRIATE AUTHORITIES

- 23.1** The Demerged Company shall make the necessary application(s) and/or petition(s) under Sections 230 and 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, together with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable laws, to the appropriate Bench of the Hon'ble National Company Law Tribunal and to such Appropriate Authorities as may be required, for sanction of this Scheme and for matters connected or incidental thereto.
- 23.2** The Resulting Company shall make the requisite application(s) and/or petition(s) under Sections 230 and 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, together with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable laws, to the Hon'ble National Company Law Tribunal and to such competent or Appropriate Authorities as may be required, for sanction of this Scheme and for matters incidental or ancillary thereto.
- 23.3** It is hereby clarified that, pending the sanction of this Scheme and notwithstanding anything to the contrary contained herein, the Companies shall be entitled to apply to, correspond with and obtain from any Appropriate Authority, statutory or regulatory authority, Government department or any third party, such consents, approvals, permissions, sanctions, acknowledgements or no-objection certificates as may be required under Applicable Law for the purposes of:
- i.** owning, holding, managing, transferring or dealing with the assets and liabilities of the Demerged Undertaking;
 - ii.** carrying on, continuing or transitioning the business and operations thereof; and
 - iii.** giving effect to, implementing or facilitating any provision of this Scheme.



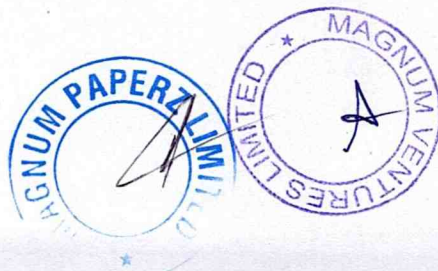
Any such applications, approvals or consents obtained prior to the Effective Date shall, upon this Scheme becoming effective, be deemed to have been obtained for and in favour of the Resulting Company, as applicable, without any further act, deed or instrument, unless expressly required otherwise under Applicable Law.

24. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 24.1** The Demerged Company and the Resulting Company, acting through their respective Boards of Directors, shall be entitled, on behalf of all persons concerned, to make, consent to or approve, from time to time, any modifications, amendments or variations to this Scheme, or to accept any conditions, limitations or directions that may be approved, imposed or directed by the Hon'ble National Company Law Tribunal or any other Appropriate Authority, or which may otherwise be considered necessary, expedient, desirable or appropriate for the purpose of giving effect to this Scheme.
- 24.2** For the purpose of implementing this Scheme or any modification or amendment thereto, the Board of Directors of the Demerged Company and the Resulting Company, as applicable, shall be authorised to issue such directions, pass such resolutions and take such actions, including for resolving any questions, doubts or difficulties that may arise in relation to the implementation of this Scheme, and any such decision or direction shall be final and binding on all concerned parties, as if the same were specifically incorporated in this Scheme.
- 24.3** Without prejudice to the foregoing, in the event of any difficulty, doubt or impediment arising in connection with the implementation, operation or enforcement of this Scheme, the Board of Directors of the Demerged Company and the Resulting Company, shall have the full power and authority to take such steps, actions or measures as may be necessary, expedient or desirable to resolve such difficulty or to otherwise give effect to the intent and provisions of this Scheme, subject to compliance with Applicable Law(s).

25. SEQUENCE OF IMPLEMENTATION OF THE SCHEME:

Upon sanction of this Scheme by the Hon'ble National Company Law Tribunal and upon the Scheme becoming effective, the Scheme shall be implemented in the sequence set out below, and the following events and steps shall be deemed to have occurred accordingly,



without any further act, deed or instrument, unless otherwise expressly provided herein:

25.1 Demerger and Issue of New Shares by the Resulting

Company: Upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall stand demerged from and vested in the Resulting Company as a going concern in accordance with this Scheme, and in consideration thereof, the Resulting Company shall, pursuant to Clause 11, issue and allot the New Shares to the shareholders of the Demerged Company whose names appear in the register of members as on the Record Date, in the manner and on the terms set out in this Scheme. Simultaneously, the pre-Scheme equity share capital of the Resulting Company shall stand cancelled and extinguished as provided in Clause 13 of this Scheme.

25.2 Reduction of Share Capital of the Demerged Company:

Upon completion of the issue and allotment of the New Shares by the Resulting Company in accordance with Clause 11 of this Scheme, the Demerged Company shall, as an integral part of this Scheme and without any further act, approval or application, reduce its issued, subscribed and paid-up share capital in the manner and to the extent specified in Clause 12 of this Scheme.

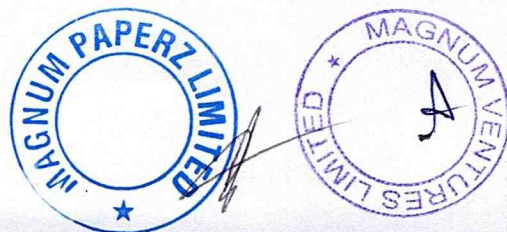
26. SEVERABILITY

If any provision or part of this Scheme is held to be invalid, illegal, unenforceable or unworkable by any court, tribunal or other authority of competent jurisdiction, whether under present or future law, such provision or part thereof shall be severable from the remainder of the Scheme and the remaining provisions of the Scheme shall continue to be valid, binding and enforceable, so far as the Scheme is not thereby rendered materially adverse to any of the Companies to the Scheme.

Provided that, if the deletion or modification of such provision or part thereof results in the Scheme becoming materially adverse to any Company, then, subject to the approval of the respective Boards of Directors and such other approvals as may be required, the Companies shall endeavour to modify or amend the Scheme in such manner as may be necessary to best give effect to the intent, benefits and obligations of the Scheme, as originally contemplated.

27. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to the fulfilment of the following conditions:



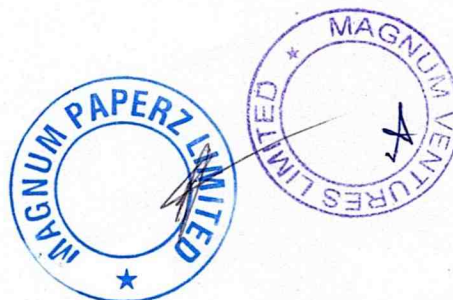
- i. Approval of the Scheme by the requisite majorities of the shareholders and/or creditors, as applicable, of the Demerged Company and the Resulting Company, as may be directed by the Hon'ble NCLT and/or any other Appropriate Authority.
- ii. Sanction of the Scheme by the Hon'ble NCLT under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013, and receipt of such other approvals, consents or permissions from any Appropriate Authority, as may be required.
- iii. Filing of the certified copy of the order of the Hon'ble NCLT sanctioning the Scheme with the concerned Registrar of Companies by all the Companies to the Scheme, in accordance with Applicable Law.

28. Costs, Expenses and duties

All costs, charges, taxes, duties, fees and expenses of whatsoever nature incurred in relation to or incidental to the formulation, implementation and completion of the Demerger pursuant to this Scheme, including professional fees and statutory costs, shall be borne and paid in equal proportion by the Demerged Company and the Resulting Company, unless otherwise agreed in writing among them.

Provided that, in the event the Scheme does not become effective or is declared invalid for any reason whatsoever, each Company shall bear and pay the costs, charges, taxes, duties, fees and expenses incurred by it.

It is hereby clarified that such costs, charges, taxes, duties, fees and expenses shall be allowable as deduction to the Demerged Company and the Resulting Company, in accordance with the applicable provisions of the Income Tax Act, 1961 and other applicable laws, if any.



Legal Counsel to the Scheme:

Rajeev Goel & Associates
Advocates and Solicitors
785, Pocket-E, Mayur Vihar-II
Delhi-Meerut Expressway/NH-9
Delhi 110 091
Mobile: +91 93124 09354
E-mail: rajeev391@gmail.com
Website: www.rgalegal.in

Anoop Jain



Annexure-A to the Scheme of Arrangement

Annexure-A

Details of the NCDs issued in the Demerged Company

SN	Particular	Remarks	
a.	Nature of NCD	Listed, rated, secured, redeemable, non-convertible debentures (NCD)	
b.	ISIN	INE387I07013	
c.	Face value (Rs. per NCD) (As on the Date of Approval of the Scheme by the Board of Directors)	26,717.39	
d.	Number of NCD	23,000	
e.	Debenture Trustee	Catalyst Trusteeship Limited	
f.	Rate of dividend/coupon/ Coupon frequency	Coupon Rate of interest on the NCD is 18% per annum. Coupon frequency is Monthly, due on the last date of each calendar month	
g.	Credit Rating	ACUITE BB	
h.	Tenure/ Maturity	The NCD shall mature on 31 st August, 2027. The NCDs are redeemable in the following next tranches:	
		Date	Amount (Rs.)
		30-Jun-26	1,63,43,698
		30-Sep-26	1,63,43,698
		31-Dec-26	1,63,43,698
		31-Mar-27	1,63,43,698
		30-Jun-27	2,08,11,206
		31-Aug-27	52,83,14,002
		Total	61,45,00,000
i.	Terms of Redemption	The NCDs are redeemable in the aforesaid tranches.	



j	Redemption amount (with redemption premium/ discount if any), early redemption scenario, if any	<p>NCDs are redeemable at Par. The Total Redemption amount of as mentioned above at point (f) above.</p> <p>There is no premium/ discount at redemption.</p> <p>As on now there is no early redemption scenario for the NCD.</p>
k.	Safeguards for the protection of holder of NCD's	<p>The NCDs forming part of the Demerged Undertaking shall, pursuant to this Scheme, be transferred to and vest in the Resulting Company on the same terms and conditions, including coupon rate, tenure, redemption price, quantum, ranking, nature of security, and all other rights and obligations attached thereto.</p> <p>The proposed Scheme does not entail any change in the terms and conditions of the NCDs issued by the Demerged Company.</p> <p>The Resulting Company shall take all necessary steps to obtain listing and trading approvals for the NCDs on the Stock Exchanges on which such NCDs are listed as on the Effective Date. Upon receipt of such approvals, the NCDs shall continue to remain listed and freely tradable, thereby ensuring liquidity and exit options for the NCD holders.</p> <p>Accordingly, the Scheme shall not have any adverse impact on the interests of the NCD holders.</p>
l.	Exit offer to the dissenting holders of NCD's	<p>NOC from the Debenture Trustee shall be obtained on the Scheme. There is no exit offer provided in the Scheme to the dissenting holders of NCDs</p>
m.	Other embedded features (Put option, call option, dates,	N.A.



	notification times, etc.)	
n.	Other terms of the instruments	N.A.
o.	Latest audited financials along with notes to accounts and any audit qualifications (financial statements should not be later than six months prior)	Available at: https://www.magnumventures.in/investors-relations/scheme-arrangement.html
p.	An auditors' certificate certifying the payment/repayment capability of the Resultant Entity	Available at: https://www.magnumventures.in/investors-relations/scheme-arrangement.html
q.	Fairness Report from Merchant Banker	Available at: https://www.magnumventures.in/investors-relations/scheme-arrangement.html
r.	Any other information /details pertinent for holders of NCD's	N.A.



Schedule-1 to the Scheme of Arrangement

Proforma Balance Sheet of 'Paper Business' of Magnum Ventures Limited to be demerged into Magnum Paperz Limited

As on 31st December, 2025

Particulars	Amount INR
ASSETS	
Non-Current Assets	
a) Property Plant and Equipment	422,26,94,090
b) Capital Work-in-Progress	73,08,62,630
c) Intangible Assets	30,063
d) Right of Use Asset	28,24,39,125
e) Financial Assets	
i. Investments	1,00,000
ii. Other Financial Assets	5,03,50,607
Total Non-Current Asset	528,64,76,515
Current Assets	
a) Inventories	94,34,35,503
b) Financial Assets	
i. Trade receivables	45,02,63,415
ii. Cash and cash equivalents	4,24,62,227
iii. Bank Balance other than above	5,68,61,561
iv. Loans	14,16,751
v. Other Financial Asset	3,00,412
c) Other Current Assets	-10,40,41,966
Total Current Asset	139,06,97,905
TOTAL ASSETS (A)	667,71,74,420
LIABILITIES	
Non-Current Liabilities	
a) Financial Liabilities	
i. Borrowings	78,91,16,431
ii. Lease Liabilities	30,09,20,708
b) Provisions	3,11,27,335
c) Deferred Tax Liabilities (Net)	175,14,22,169
Total Non-Current Liabilities	287,25,86,643
Current Liabilities	
a) Financial Liabilities	
i. Borrowings	4,90,31,094



ia. Lease Liabilities	4,50,38,341
ii. Trade Payable	45,84,89,953
iii. Other Financial Liabilities	5,39,04,514
b) Other Current Liabilities	7,05,44,723
c) Provisions	1,47,59,203
Total Current Liabilities	69,17,67,828
TOTAL LIABILITIES (B)	356,43,54,472
Net Assets [A-B] (C)	311,28,19,948

