

**SCHEME OF ARRANGEMENT**

**AMONG**

**ADANI ENTERPRISES LIMITED**  
***(DEMERGED COMPANY)***

**AND**

**ADANI WILMAR LIMITED**  
***(RESULTING COMPANY)***

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND**  
**CREDITORS**

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE**  
**COMPANIES ACT, 2013**

## (A) DESCRIPTION OF COMPANIES

1. Adani Enterprises Limited (hereinafter referred to as “**Demerged Company**”) was incorporated on March 2, 1993, as Adani Exports Limited, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. Its name was changed to Adani Enterprises Limited on August 10, 2006. The Corporate Identification Number of the Demerged Company is L51100GJ1993PLC019067. The registered office of the Demerged Company is situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India. The equity shares of the Demerged Company are listed on the Stock Exchanges (*as defined hereinafter*). The listed secured NCDs (*as defined hereinafter*) issued by the Demerged Company are listed on the Wholesale Debt Market segment of BSE Limited (“**BSE**”).

The Demerged Company is a designated partner of Adani Commodities LLP with a share of 99.99%. Adani Commodities LLP holds 43.94% of the paid-up equity share capital of Adani Wilmar Limited (hereinafter referred to as the “**Resulting Company**”).

The Demerged Company is in the business of integrated resources management, mining services and other trading activities. The Demerged Company operates as an incubator, establishing new businesses in various areas like energy ecosystem, data center, airports, roads, primary industries like copper and Petrochem and others. The Demerged Company is also in the business of food FMCG (fast moving consumer goods) through trading and supply of edible oil & other allied commodities and through its strategic investments in Adani Commodities LLP (“**Food FMCG Business**”).

2. The Resulting Company was incorporated on January 22, 1999, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. The Corporate Identification Number of the Resulting Company is L15146GJ1999PLC035320. The registered office of the Resulting Company is situated at Fortune House, Near Navrangpura Railway Crossing, Ahmedabad – 380 009, Gujarat, India. The equity shares of the Resulting Company are listed on the Stock Exchanges (*as defined hereinafter*).

The Resulting Company’s business portfolio of products spans across edible oil, packaged food and FMCG and industry essentials. The Resulting Company is one of the few large FMCG food companies in India to offer most of the essential kitchen commodities for Indian consumers including edible oil, wheat flour, rice, pulses and sugar. The Resulting Company has the largest distribution network among all the branded edible oil companies in India.

## (B) OVERVIEW OF THE SCHEME

1. This Scheme (*as defined hereinafter*) is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) and *inter alia* provides for the following:
  - (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company on a *going concern* basis, and issue of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income Tax Act (*as defined hereinafter*); and
  - (ii) various other matters consequential or otherwise integrally connected therewith including reduction of share capital of the Resulting Company.

**(C) RATIONALE**

- (i) Each of the varied businesses being carried on by the Demerged Company either by itself or through its subsidiaries or through associate companies including Food FMCG Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Food FMCG Business is separate and distinct from other businesses being carried out by the Demerged Company. The Food FMCG Business and the other businesses of the Demerged Company are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which the Food FMCG Business and other businesses of the Demerged Company are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize and segregate the Food FMCG Business by way of demerger and transfer the same to the Resulting Company.
- (ii) The segregation would enable greater/enhanced focus of the management in the Food FMCG Business and other businesses whereby facilitating the management to efficiently exploit opportunities for each of the said businesses.
- (iii) It is believed that the proposed demerger will unlock the direct value of the Demerged Company's shareholders into the Resulting Company and allow a focused strategy and specialization for sustained growth for enhanced value, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.
- (iv) The demerger will also provide scope for independent collaboration and expansion.

**(D) PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

- 1. **PART I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and implementation of this Scheme;
- 2. **PART II** deals with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a going concern basis and issue of Resulting Company New Equity Shares (*as defined hereinafter*) by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof; and
- 3. **PART III** deals with the general terms and conditions applicable to this Scheme.

**PART I**

**DEFINITIONS, SHARE CAPITAL OF THE PARTIES,  
DATE OF TAKING EFFECT AND IMPLEMENTATION OF  
THIS SCHEME**

**1. DEFINITIONS**

- 1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

“**Act**” means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory replacement or re-

enactment thereof;

**“Applicable Law”** or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, press notes, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority; (b) Permits; and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a Person, as may be in force from time to time;

**“Appointed Date”** means the Effective Date;

**“Appropriate Authority”** means: (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof; (ii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi- governmental authority including without limitation, Regional Director, Ministry of Corporate Affairs, RoC, SEBI and the Tribunal; and (iii) any Stock Exchange;

**“Board”** in relation to a Party, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors;

**“Demerged Liabilities”** means the liabilities as defined in Clause 4.2.5 of the Scheme;

**“Demerged Undertaking”** means the undertaking of the Demerged Company pertaining to the Food FMCG Business as on the Appointed Date and shall include (without limitation):

- (i) all assets and properties of the Demerged Company in relation to the Food FMCG Business whether or not recorded in the books of accounts of the Demerged Company and rights thereto and all documents of title, wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, including all buildings, factory, civil works, foundations for civil works, communication facilities, installations, warehouses, stores, factory outlets, stores under progress, equipment, structures, furniture, offices, all lands (whether leased, licensed, right of way, tenancies or freehold), benefits of any rental agreements for use of premises, marketing offices, capital works in progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), stock-in-trade, stock-in-transit, merchandise (including raw materials), finished goods, supplies (including wrapping supplies), packaging items, tools, whether in transit or located at stores (including factory outlets) and warehouses, computers, vehicles, furniture, fixtures, office equipment, air conditioners, appliances, accessories, power lines, share of any joint assets, any finished goods and any facilities, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables in cash or kind or for value to be received, cash, cash equivalents and bank accounts (including bank balances), benefit of any deposits and accrued interest thereto, actionable claims, prepaid expenses, bills of exchange, promissory notes, financial assets, insurance policies, funds, provisions, and benefit of any bank guarantees, performance guarantees and letters of credit appertaining or relating to the Food FMCG Business;

- (ii) Demerged Liabilities;
- (iii) Strategic investment in Adani Commodities LLP;
- (iv) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, income tax deducted at source, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Food FMCG Business;
- (v) all Permits, quotas, incentives, powers, authorities, allotments, rights, benefits, advantages, bids, tenders, letters of intent, expressions of interest, subsidies, tenancies in relation to the office and/or residential properties for employees, benefit of any deposits, privileges, all other rights including sales tax deferrals and exemptions and other benefits, lease rights, receivables and liabilities related thereto, licenses, powers and facilities of every kind and nature and description whatsoever, rights to use and avail of telephones and installations, utilities, electricity and other services and all other interests in connection with or relating to the Food FMCG Business;
- (vi) all contracts, agreements, business partnerships and collaborations including brand distribution agreements, service orders, operation and maintenance contracts, memoranda of understanding/ undertaking / agreements, bids, expressions of interests, equipment purchase agreement, letters of intent, lease arrangements, leave and license agreements, contracts pertaining to franchises, brand license, vendors, stores maintenance, housekeeping, security, contract workers, purchase and other agreements with supplier/ service providers, other arrangements, undertakings, deeds, bonds, schemes, powers of attorney, insurance covers and claims, and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise, as amended and restated from time to time and all rights, title, interest, assurances, claims and benefits thereunder related to or pertaining to the Food FMCG Business;
- (vii) all earnest moneys and/or security deposits paid by the Demerged Company in connection with or relating to the Food FMCG Business;
- (viii) all intellectual property and intellectual property rights, brands, logos, designs, labels, trade secrets, service marks, copyright, tradenames and trademarks of the Demerged Company in relation to the Food FMCG Business (including any applications for the same) of any nature whatsoever (whether owned, licensed or otherwise and whether registered or unregistered);
- (ix) all books, records, files, papers, engineering and process information, computer programs, domain names, license for software and any other software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, marketing authorisations, marketing intangibles, credit information, sales and advertising materials, lists of present and former customers, customer pricing information, and other records whether in physical or electronic form in connection with or pertaining to Food FMCG Business;
- (x) all legal or other proceedings of whatsoever nature that form part of the Food FMCG Business which are capable of being continued by or against Resulting Company under Applicable Law;

- (xi) entire experience, credentials, past record, goodwill and market share of the Demerged Company pertaining to the Food FMCG Business; and
- (xii) the Transferring Employees.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company;

“**Effective Date**” means the last of the dates on which all the conditions and matters referred to in Clause 18.1 of the Scheme have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme; References in this Scheme to the date of “**coming into effect of this Scheme**” or “**upon the Scheme becoming effective**” or “**upon effectiveness of the Scheme**” shall mean the Effective Date;

“**Encumbrance**” means any form of legal or equitable encumbrance or security interest including any mortgage, pledge, hypothecation, assignment by way of security, non-disposal undertaking, escrow, charge, lien or other security interest or encumbrance of any kind securing any obligation of any Person (including, without limitation, any right granted by a transaction or other type of preferential arrangement or interest of any nature whatsoever which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law), outstanding Taxes (which have become due and payable), option, pre-emptive right, proxy, power of attorney, voting agreement, right of first offer, first, last or other refusal right, or transfer restriction in favour of any Person, beneficial ownership, adverse claim, title retention agreement, conditional sale agreement, any provisional, conditional or executorial attachment, trust (other title exception of whatsoever nature), any agreement to create any of the foregoing or any adverse claim as to title, possession or use and the term “**Encumber**” shall be construed accordingly;

“**Income Tax Act**” means the Income-tax Act, 1961;

“**NCDs**” means non-convertible debentures;

“**NSE**” means The National Stock Exchange of India Limited;

“**Parties**” shall collectively mean the Demerged Company and the Resulting Company; and  
“**Party**” means each of them, individually;

“**Permits**” means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

“**Person**” means an individual, (including in his capacity as trustee), entity, a corporation, a partnership (whether limited or unlimited), a company, an association, a trust a joint venture, proprietorship or other enterprise (whether incorporated or not), an unincorporated organization Hindu Undivided Family, trust, union, association of persons or any governmental authority or any agency, department, authority or political subdivision thereof, and shall include their respective successors, successors-in-interest and in case of an individual shall include his/ her legal representatives, administrators, executors, permitted assignees, liquidators, and heirs and in case of a trust, shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

“**Re**” or “**Rs**” or “**Rupee(s)**” means Indian Rupee(s), the lawful currency of the Republic of India;

“**Record Date**” means the date to be fixed by the Board of the Demerged Company in consultation with the Board of the Resulting Company for the purpose of determining the equity shareholders of the Demerged Company for issue of the Resulting Company New Equity Shares;

“**Remaining Business of the Demerged Company**” means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than the Demerged Undertaking;

“**Resulting Company New Equity Shares**” means fully paid-up equity share(s) having face value of Re 1/- each issued by the Resulting Company as consideration in terms of Clause 8.1 of this Scheme;

“**RoC**” means the relevant jurisdictional Registrar of Companies having jurisdiction over the Parties;

“**Sanction Order**” means the orders of the Tribunal approving the Scheme;

“**Scheme**” or “**this Scheme**” means this scheme of arrangement as modified from time to time;

“**SEBI**” means the Securities and Exchange Board of India;

“**SEBI Debt Circular**” means Chapter XII of the master circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 issued by SEBI dated May 21, 2024, as amended from time to time;

“**SEBI LODR Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

“**SEBI Schemes Master Circular**” means Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;

“**Stock Exchanges**” means BSE and NSE collectively and Stock Exchange shall mean each of them individually;

“**Tax Laws**” means all Applicable Laws dealing with Taxes including but not limited to income-tax, goods and service tax, customs duty or any other levy of similar nature;

“**Taxation**” or “**Tax**” or “**Taxes**” means all forms of taxes and statutory, governmental, state, provincial, local, governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties and all penalties, charges, costs and interest relating thereto;

“**Transferring Employees**” means the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking as on the Effective Date; and

“**Tribunal**” means the Hon’ble National Company Law Tribunal, Ahmedabad, having jurisdiction over the Parties and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable.

1.2 In this Scheme, unless the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) headings, subheadings, titles, subtitles to clauses and sub-clauses are for convenience only and shall be ignored in construing the Scheme;
- (iii) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and
- (iv) all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India, Act, 1992, the Depositories Act, 1996 or any other Applicable Laws, rules, regulations, bye laws, as the case may be.

## 2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on July 31, 2024 was as follows:

Particulars	Rs
<b>Authorised Share Capital</b>	
485,92,00,000 equity shares of Re 1/- each	485,92,00,000
45,00,000 preference shares of Rs 10/- each	4,50,00,000
<b>Total</b>	<b>490,42,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
114,00,01,121 equity shares of Re 1/- each	<b>114,00,01,121</b>
<b>Total</b>	<b>114,00,01,121</b>

2.2 The share capital of the Resulting Company as on July 31, 2024 was as follows:

Particulars	Rs
<b>Authorised Share Capital</b>	
362,76,00,000 equity shares of Re 1/- each	362,76,00,000
<b>Total</b>	<b>362,76,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
129,96,78,605 equity shares of Re 1/- each	129,96,78,605
<b>Total</b>	<b>129,96,78,605</b>

## 3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

3.1 This Scheme shall become effective from the Appointed Date but shall become operative from the Effective Date.



## PART II

### DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

#### 4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 4.1 Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.
- 4.2 Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer of the Demerged Undertaking under this Scheme, is as follows:
- 4.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets), intellectual property and intellectual property rights, including any applications for the same, of any nature whatsoever including but not limited to brands, trademarks forming part of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and such other industrial and intellectual property rights of whatsoever nature or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;
- 4.2.2 Subject to Clause 4.2.3 below, with respect to the moveable assets of the Demerged Undertaking other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;
- 4.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date,

without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company;

- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant sub-registrar of assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 4.2.5 Upon effectiveness of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking (“**Demerged Liabilities**”) shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date. The term “Demerged Liabilities” shall include:
- 4.2.5.1 the debts, liabilities obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
  - 4.2.5.2 specific loans or borrowings, if any, raised, incurred and utilised solely for the activities or operations of the Demerged Undertaking; and
  - 4.2.5.3 in cases other than those referred to in Clauses 4.2.5.1 or 4.2.5.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date;
- 4.2.6 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to its Remaining Business and the Resulting Company shall not have any obligations in respect of the debts, liabilities, duties and obligations of the Remaining Business. Further, upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Demerged Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such respective Demerged Liabilities;
- 4.2.7 Post the Effective Date, the Demerged Company may, at the request of the Resulting Company, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to the Resulting Company and that appropriate modification should be made in their respective

books/records to reflect the aforesaid changes;

- 4.2.8 In so far as Encumbrances, if any, in respect of the Demerged Liabilities, such Encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have already been Encumbered in respect of the Demerged Liabilities as transferred to the Resulting Company pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Resulting Company, provided that if any of the assets comprised in the Demerged Undertaking being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered, and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Resulting Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- 4.2.9 Subject to other provisions of this Scheme, in so far as the assets forming part of the Demerged Undertaking are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of the Remaining Business of the Demerged Company, shall, as and from the Effective Date, without any further act, instrument or deed, stand released and discharged and shall no longer be available as Encumbrances in relation to those loans, liabilities, borrowings of the Demerged Company pertaining to the Remaining Business of the Demerged Company (and which shall continue with the Demerged Company);
- 4.2.10 In so far as the assets of the Remaining Business of the Demerged Company are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings forming part of the Demerged Liabilities shall, without any further act, instrument or deed be released and discharged from such Encumbrances. The absence of any formal amendment which may be required by a lender or trustee or third party in order to effect such release shall not affect the operation of Clauses 4.2.9 and this Clause 4.2.10;
- 4.2.11 Subject to Clause 4 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 4.2.12 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company;
- 4.2.13 Permits, including the benefits attached thereto of the Demerged Company, in relation

to the Demerged Undertaking, shall be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever;

4.2.14 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause;

4.2.15 Upon the coming into effect of this Scheme, the investment limits of the Resulting Company in terms of Section 186 of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate investments forming part of the Demerged Undertaking transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing investment limits of the Resulting Company; and

4.2.16 Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 180(1)(c) of the Act shall be deemed to be increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Demerged Liabilities transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Resulting Company.

4.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the Appropriate Authorities, filing of necessary particulars and/or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Demerged Undertaking transferred to and registered in, the name of the Resulting Company, as per Applicable Law.

## **5. EMPLOYEES**

5.1 Upon effectiveness of the Scheme, all Transferring Employees shall become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service.

5.2 The past services of all the Transferring Employees prior to the Effective Date shall be taken into account for the purposes of all benefits to which such employees may be eligible, including for the purpose of payment of any retrenchment or redundancy compensation, leave encashment, gratuity and other terminal benefits. The accumulated balances, if any, standing to the credit in favour of the aforesaid Transferring Employees in the existing provident fund,

gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company. Pending the transfer as aforesaid, the dues of the said Transferring Employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund, respectively, of Demerged Company.

- 5.3 Further to the transfer of the accumulated balances or contributions from the funds as set out in Clause 5.2 above, for all purposes whatsoever in relation to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Demerged Company in relation to the Demerged Undertaking as on the Effective Date in relation to such funds shall become those of the Resulting Company. It is clarified that the services of the Transferring Employees will be treated as having been continuous for the purposes of the said funds.
- 5.4 In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business of the Demerged Company are concerned, the same shall continue and the Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and the Resulting Company shall have no liability in respect thereof.

## **6. LEGAL PROCEEDINGS**

- 6.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunal proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Demerged Company pending as on the Effective Date and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 6.2 The Resulting Company undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company shall make relevant applications and take all steps as may be required in this regard.
- 6.3 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting

Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

## **7. TAXES/ DUTIES/ CESS**

- 7.1 This demerger under Part II of the Scheme complies with the definition of “demerger” as per Section 2(19AA) and other provisions of the Income Tax Act. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the relevant provisions of the Income Tax Act (including the conditions set out therein), at a later date, whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the Demerged Company and the Resulting Company shall discuss in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.
- 7.2 The accumulated losses and allowance for unabsorbed depreciation of the Demerged Company for the period prior to the Appointed Date shall be apportioned between the Demerged Company and the Resulting Company in accordance with the provisions of Section 72A(4)(b) of the Income Tax Act and shall be allowed to be carried forward and set off in the hands of the respective Parties against their respective profits for the period after the Appointed Date without any specific approval or permission. The benefit in respect of the unutilised Minimum Alternate Tax credit and the carried forward interest deduction under Section 94B as on the Appointed Date, if any, in respect of or relatable to the Demerged Undertaking shall be carried forward for allowance in the hands of the Resulting Company.
- 7.3 The benefits in respect of all Taxes deducted at source (“TDS”), Taxes collected at source (“TCS”), payments in respect of advance taxes, self-assessment Taxes, Tax on regular assessments made or otherwise recovered by the Appropriate Authorities on or after the Appointed Date in the name and PAN of the Demerged Company but relating to the profits, income or gains of the Demerged Undertaking shall be deemed to be the Taxes deducted, collected, paid, recovered, as the case may be, by or from the Resulting Company and the credit in respect thereof shall be available in the hands of the Resulting Company.
- 7.4 The Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid by the Resulting Company subsequent to the Appointed Date.
- 7.5 The Resulting Company shall be entitled to claim deduction under Section 36(1)(vii) read with Section 36(2) of the Income Tax Act in respect of the debts as on the Appointed Date transferred to it as part of the Demerged Undertaking to the extent they are written off as irrecoverable by the Resulting Company as and when the same are so written off by the Resulting Company subsequent to the Appointed Date.
- 7.6 The Resulting Company shall be entitled to claim deduction under section 40(a) of the Income Tax Act in respect of the expenditure disallowed in the hands of the Demerged Company, if any, under that section prior to the Appointed Date and in respect of which the TDS liability is transferred to the Resulting Company as part of the liabilities of the Demerged Undertaking as and when such TDS liability is discharged by the Resulting Company after the Appointed Date.
- 7.7 If the Demerged Company is entitled to any unutilized credits, benefits under the state or central fiscal/investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax Law or Applicable Law, the Resulting Company shall be entitled,

as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company in accordance with Applicable Law.

- 7.8 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise/modify their respective financial statements and returns of income along with prescribed forms, filings, and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.
- 7.9 The Demerged Company shall be liable for any Tax Laws and shall be entitled to any refunds of Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date; and even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 7.10 The Resulting Company shall be liable for any Tax payable to Appropriate Authorities under Tax Laws and shall be entitled to refunds of any Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date.
- 7.11 Any Tax incentives, subsidies, exemptions, special status, Tax benefits (including but not limited to export incentives, credits/incentives in respect of income tax, sales tax, GST, turnover tax, excise duty, etc.), unutilized GST credits, duty drawbacks, and other benefits, credits, exemptions or privileges enjoyed, granted by an Appropriate Authority or availed of by the Demerged Company and/or benefits under incentive schemes and policies relating to the Demerged Undertaking shall, without any further act or deed, in so far as they relate to or are available for the operation and activities of the Demerged Undertaking on or after the Appointed Date and to the extent permissible under applicable Tax Laws, vest with and be available to Resulting Company on the same terms and conditions, as if the same had been originally allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company. The Demerged Company and Resulting Company shall take such actions as may be necessary under Applicable Laws to effect such transfers.
- 7.12 Each of the Resulting Company and the Demerged Company shall be entitled to file/revise /modify its income-tax returns, TDS/TCS certificates, TDS/TCS returns, GST returns and other statutory returns, notwithstanding that the period for filing/revising such returns may have lapsed and to obtain TDS/TCS certificates, including TDS/TCS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance Tax credits, input Tax credit (if transferable), credits of all Taxes paid/withheld/ collected, if any, to the extent permissible under applicable Tax Laws as may be required consequent to implementation of this Scheme.
- 7.13 If the Demerged Company makes any payment to discharge any liabilities under Tax Laws that are the responsibility of the Resulting Company under Clause 7.10 above, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment. If the Resulting Company makes any payment to discharge any liabilities under Tax Laws that are the responsibility of the Demerged Company under Clause 7.10 above, the Demerged

Company shall promptly pay or reimburse the Resulting Company for such payment.

- 7.14 If the Demerged Company receives any refunds under Tax Laws that the Resulting Company is entitled to receive under Clause 7.10 above, the Demerged Company shall promptly pay the Resulting Company the amount of refund so received. If the Resulting Company receives any refunds under Tax Laws that the Demerged Company is entitled to receive under Clause 7.10 above, the Resulting Company shall promptly pay the Demerged Company the amount of refund so received.
- 7.15 All the expenses incurred by Demerged Company and/or the Resulting Company in relation to the Scheme, shall be allowed as deduction to Demerged Company and the Resulting Company in accordance with the relevant provisions of the Income Tax Act.
- 7.16 The benefits and privileges available to the shareholders of the Demerged Company by virtue of their shareholding in the Demerged Company, including on account of being a listed company under the provisions of the Income Tax Act shall continue to be available to the shareholders of the Demerged Company post the effectiveness of the Scheme including those specifically conferred under the respective provisions of the Income Tax Act, allocation of cost of acquisition of shares between the Demerged Company and Resulting Company including grand fathering benefit for the purposes of Section 112A of the Income Tax Act read with Section 55(2)(ac) of the Income Tax Act, period of holding or any other deduction or concession available or conferred by the Income Tax Act or administrative or judicial pronouncements.
- 7.17 Upon the Effective Date, all demands, claims, show cause notices, suits, actions, administrative proceedings, tribunal proceedings, Taxes and other related disputes resolution proceedings of whatsoever nature (including proceedings under the applicable GST law, however, excluding any proceedings under the provisions of the Income Tax Act), by or against the Demerged Company, pending on the Effective Date relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against Resulting Company with effect from the Effective Date in the same manner and to the extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 7.18 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with Resulting Company. However, if the Demerged Company is unable to get Resulting Company replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Board of Resulting Company and such cost shall be borne by Resulting Company and the latter shall reimburse the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

## **8. CONSIDERATION**



- 8.1 The consideration for the demerger of the Demerged Undertaking shall be the issue by the Resulting Company of 251 (two hundred fifty one) fully paid-up equity shares of the Resulting Company having face value of Re 1/- (Rupee One) each for every 500 (five hundred) fully paid-up equity shares of Re 1/- (Rupee One) each of the Demerged Company (“**Resulting Company New Equity Shares**”).
- 8.2 Upon coming into effect of the Scheme and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument, issue and allot the Resulting Company New Equity Share(s) to the equity shareholders of the Demerged Company who hold fully paid-up equity shares of the Demerged Company and whose names are recorded in the register of members and/ or records of the depository on the Record Date.
- 8.3 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, including with respect to dividend, bonus, rights shares and voting rights attached to the Resulting Company New Equity Shares.
- 8.4 The Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. All those equity shareholders who hold shares of the Demerged Company in physical form shall receive the Resulting Company New Equity Shares in dematerialised form only, provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, the Resulting Company shall keep such shares in abeyance/escrow account with a trustee nominated by the Board of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company and/or its registrar, if permitted under Applicable Law.
- 8.5 In case any equity shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of Resulting Company New Equity Shares, the Resulting Company shall not issue fractional shares to such equity shareholder and shall consolidate all such fractional entitlements and round up the aggregate of such fractions to the next whole number and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Resulting Company (“**Trustee**”), who shall hold such shares with all additions or accretions thereto in trust for the benefit of the respective equity shareholders, to whom they belong or their respective heirs, executors, administrators or successors, for the specific purpose of selling such equity shares in the market at such price or prices at any time within a period of 90 (ninety) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective equity shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds may be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional equity shares of the Resulting Company by the Trustee pertaining to the fractional entitlements.
- 8.6 The Resulting Company New Equity Shares to be issued by the Resulting Company, pursuant to Clause 8 in respect of any shares of the Demerged Company which are held in abeyance

under the provisions of Section 126 of the Act or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of Tribunal or any court or otherwise, be held in abeyance by the Resulting Company or shall be dealt with as provided under the Applicable Law.

- 8.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any of the equity shareholders, the Board of the Demerged Company shall be empowered in appropriate cases, prior to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the equity shares in the Demerged Company and in relation to the shares issued by the Resulting Company, after the effectiveness of the Scheme. The Board of the Resulting Company shall be empowered to remove any such difficulties as may arise in the implementation of this Scheme.
- 8.8 Where Resulting Company New Equity Shares are to be allotted to heirs, executors or administrators, successors or legal representatives of the equity shareholders, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Resulting Company.
- 8.9 The issue and allotment of the Resulting Company New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company New Equity Shares under applicable provisions of the Act.
- 8.10 The Resulting Company New Equity Shares to be issued by the Resulting Company in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company. The Resulting Company New Equity Shares to be issued to the equity shareholders of the Demerged Company held in the Investor Education and Protection Fund Authority (“**IEPF**”) shall be issued to IEPF in favour of such equity shareholders.
- 8.11 In the event the Demerged Company restructures its share capital by way of consolidation or any other corporate action which includes raising of capital before the Record Date, the share entitlement ratio set out in Clause 8.1 shall be suitably altered/adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.
- 8.12 The Resulting Company New Equity Shares to be issued by the Resulting Company pursuant to Clause 8.1 above in respect of such equity shares of the Demerged Company as are subject to lock-in pursuant to Applicable Law, if any, shall also be locked-in as and to the extent required under Applicable Law.
- 8.13 The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Schemes Master Circular and other relevant provisions as may be applicable. The Resulting Company New Equity Shares allotted by the Resulting Company in terms of Clauses 8.1 and 8.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges. Further, there shall be no change in the shareholding pattern of the Resulting Company between

the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.

- 8.14 The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

## **9. CANCELLATION OF THE EQUITY SHARES**

- 9.1 Simultaneous with the issuance of the Resulting Company New Equity Shares in accordance with Clause 8 of the Scheme, the existing issued and paid-up equity share capital of the Resulting Company, as held by Adani Commodities LLP, shall without any further application, act, instrument or deed, stand automatically cancelled and reduced, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme and the Parties shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately. The aforesaid reduction of capital does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.
- 9.2 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.
- 9.3 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add “And Reduced” as suffix to its name.

## **10. ACCOUNTING TREATMENT**

### **10.1 In the books of the Demerged Company**

The Demerged Company shall account for the demerger of the Demerged Undertaking as per the scheme in its books/financial statements in accordance with applicable Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and generally accepted accounting principles in India as amended from time to time including as provided herein below:

- 10.1.1 The Demerged Company will apply accounting from the Effective Date.
- 10.1.2 The Demerged Company shall derecognize the carrying value of the assets (including carrying amount of strategic investment in Adani Commodities LLP) and liabilities pertaining to the Demerged Undertaking, transferred to and vested into the Resulting Company.
- 10.1.3 The excess/deficit, if any, of the net assets transferred to the Resulting Company pursuant to Clause 10.1.2, shall be adjusted against the retained earnings of the Demerged Company.

### **10.2 In the books of the Resulting Company**

Notwithstanding anything else contained in the Scheme, the Resulting Company shall account for the demerger of the Demerged Undertaking as per the Scheme in its books of accounts in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended) and generally accepted accounting principles in the following manner:

- 10.2.1 The Resulting Company shall record all the assets and liabilities of the Demerged Undertaking (other than investment in equity shares of the Resulting Company forming part of the Demerged Undertaking and held through Adani Commodities LLP) at the amount arrived at in a manner that fair value of shares recorded as per 10.2.3 (b) below gets allocated on a proportionate basis.
- 10.2.2 Inter-company balances, if any, between the Demerged Undertaking and the Resulting Company relating to the Demerged Undertaking appearing in the books of the Resulting Company shall stand cancelled and there shall be no further obligation/outstanding in that behalf.
- 10.2.3 The Resulting Company shall divide the Resulting Company New Equity Shares issued pursuant to the Scheme in two parts:
- (a) The Resulting Company shall record equity shares issued, to the extent of shares received back as part of the Demerged Undertaking, i.e., held through Adani Commodities LLP, at their face value.
  - (b) The Resulting Company shall record additional shares issued, if any, at their fair value such that the face value of shares issued is credited to the Share Capital account and any differential amount is credited to the Capital Reserve/Securities Premium account.
- 10.2.4 Investment in equity shares of the Resulting Company forming part of the Demerged Undertaking and held through Adani Commodities LLP will be recorded at the face value of equity shares in the books of the Resulting Company.
- 10.2.5 The existing shareholding of Adani Commodities LLP in the Resulting Company shall stand cancelled. Upon cancellation, the Resulting Company shall debit to its Equity Share Capital Account, the aggregate face value of the existing equity shares held by Adani Commodities LLP in Resulting Company which stands cancelled hereof.
- 10.2.6 The accounting policies followed by the Resulting Company will prevail, in case of any difference in accounting policies followed by the Demerged Undertaking from that of the Resulting Company to ensure that the Financial Statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.
- 10.2.7 For accounting purposes, the Resulting Company shall apply the Scheme from the date when all the substantial conditions for demerger are completed.
- 10.2.8 Any matter not dealt with in Clauses hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Resulting Company.

## **11. REMAINING BUSINESS OF THE DEMERGED COMPANY**

- 11.1 The Remaining Business of the Demerged Company shall continue to belong to and be owned and managed by the Demerged Company. The Demerged Company shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 11.2 If the Resulting Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Company shall take all such

steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to replace the Demerged Company in such proceedings, the Resulting Company shall defend the same or deal with such demand at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

## **12. VALIDITY OF EXISTING RESOLUTIONS**

Upon the coming into effect of the Scheme, the resolutions, if any, passed by the Demerged Company relating to the Demerged Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions passed by the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in the Resulting Company.

### **PART III**

#### **GENERAL TERMS AND CONDITIONS**

## **13. WRONG POCKET ASSETS**

- 13.1 Subject to Clause 14 and unless otherwise specified in the terms of the Scheme, no part of the Demerged Undertaking shall be retained by the Demerged Company after the Effective Date pursuant to the Scheme. If any part of any of the Demerged Undertaking is inadvertently not transferred to the Resulting Company on the Effective Date pursuant to the Scheme, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the relevant Demerged Undertaking, as the case may be, is transferred to the Resulting Company promptly and for no further consideration, and without any Tax implications. The Demerged Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company, for giving effect to this Clause.
- 13.2 No part of the Remaining Business of the Demerged Company shall be transferred to the Resulting Company pursuant to the Scheme. If any part of the Remaining Business of the Demerged Company is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business of the Demerged Company is transferred back to the Demerged Company, promptly and for no consideration, and without any Tax implications. The Resulting Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company for giving effect to this Clause.
- 13.3 If the Demerged Company realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Undertaking and shall be paid to the Resulting Company for no additional consideration, and without any Tax implications. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Remaining Business of the Demerged Company, the Resulting Company shall immediately pay such amounts to the Demerged Company. Similarly, if the Demerged Company discharges any Demerged Liability after the Effective Date, the Resulting Company shall make payment of such amounts to the Demerged Company.

## **14. RESIDUAL PROVISIONS**

- 14.1 Notwithstanding anything contained in this Scheme, on or after the Effective Date, as the case may be, until any property, asset, Permits and rights and benefits arising therefrom pertaining to the Demerged Undertaking is transferred, vested, recorded, effected and/or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the Permit as if it were the owner of the property or asset or as if it were the original party to the Permit. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Parties, the Demerged Company will continue to hold the property and/or the asset, Permit and rights and benefits arising therefrom, in trust for and on behalf of the Resulting Company.
- 14.2 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or relating to such assets) or any contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to or vested in the Resulting Company for any reason whatsoever:
- 14.2.1 The Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as their transfer or vesting in the Resulting Company is effected;
- 14.2.2 The Demerged Company and the Resulting Company shall, however, between themselves, treat each other as if all contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking had been transferred to the Resulting Company on the Effective Date;
- 14.2.3 The Resulting Company shall perform or assist the Demerged Company in performing all of the obligations under those contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date;
- 14.2.4 It is clarified that the Demerged Company and the Resulting Company may enter into contracts or arrangements, as may be required to give effect to the provisions of this Clause 14.1 and that any such transfer under the provisions hereof shall be deemed to be with effect from the Appointed Date as an integral part of the Scheme; and
- 14.2.5 The mechanism or arrangement between the Demerged Company and Resulting Company, pursuant to this Clause, after the Effective Date, shall be based on the following principles (i) the Demerged Company shall not be responsible for performance of any obligations or for any Demerged Liabilities and shall not be entitled to any rights or to receive any benefits whatsoever in relation to the Demerged Undertaking; (ii) the rights and liabilities in connection with the Demerged Undertaking, shall rest and be borne entirely and exclusively by Resulting Company.

## **15. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

- 15.1 From the date on which the respective Boards of the Parties approve the Scheme until the Effective Date, the Demerged Company shall carry on the business of the Demerged

Undertaking with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with Applicable Law and as mutually agreed between the Demerged Company and the Resulting Company. Notwithstanding anything contained in the Scheme to the contrary, each of the Demerged Company and the Resulting Company shall be able to raise capital from the date on which the respective Boards of the Parties approve the Scheme, as it may deem fit.

## **16. APPLICATIONS/PETITIONS TO THE TRIBUNAL**

- 16.1 The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.
- 16.2 The Parties (with respect to the Demerged Undertaking) shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such Permits which the Resulting Company may require to carry on the business of the Demerged Undertaking and to give effect to the Scheme.

## **17. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

- 17.1 The Board of Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 17.2 For the purposes of giving effect to this Scheme or to any modification hereof, the Board of the Demerged Company or the Board of the Resulting Company, acting jointly or individually, as may be relevant, (i) give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on the Resulting Company as if the same were specifically incorporated in this Scheme, (ii) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

## **18. CONDITIONS PRECEDENT**

- 18.1 This Scheme is conditional upon and subject to the following conditions precedent:
- 18.1.1 The Stock Exchanges having issued their no-adverse observation/no-objection letters as required under the SEBI LODR Regulations read with the SEBI Schemes Master Circular and the SEBI Debt Circular;
- 18.1.2 This Scheme being approved by the respective requisite majorities of the various classes of (a) members and creditors (where applicable) of the Demerged Company; and (b) members and creditors (where applicable) of the Resulting Company, as required under the Act, subject to any dispensation of holding and convening meetings of members and creditors, that may be granted by the Tribunal;
- 18.1.3 The Scheme being approved by the requisite majority of the respective public shareholders of the Demerged Company and the Resulting Company (by way of e-voting) as required under the SEBI Schemes Master Circular;
- 18.1.4 The fulfilment, satisfaction or waiver (as the case may be) of any approvals or conditions mutually agreed by the Parties as required for completion of transactions contemplated under this Scheme;

18.1.5 Sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act and receipt of certified copy of the Sanction Order; and

18.1.6 The certified copy of the Sanction Order having been filed by the Parties with the RoC.

18.2 The Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 18.1 above are satisfied (or to the extent permissible under Applicable Law, waived by the Demerged Company) and in such an event, no rights and liabilities stated under this Scheme shall accrue to or be incurred inter se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other Person.

18.3 On the approval of this Scheme by the equity shareholders of the Parties and such other classes of persons relating to the Parties, if any, such shareholders and classes of persons, shall also be deemed to have resolved and accorded all relevant consents under the Act or SEBI LODR Regulations or otherwise, to the same extent applicable to all the matters related to or arising pursuant to the Scheme and this Scheme itself.

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

19.1 The Demerged Company and the Resulting Company, acting jointly, shall be at liberty to withdraw the Scheme, as may be mutually agreed by the respective Boards of the Parties at any time before the Effective Date. In the event of withdrawal, no rights and liabilities whatsoever shall accrue to or be incurred by the respective Parties or their shareholders or creditors or employees or any other Person. In such case, each of the Parties shall bear its own costs and expenses or as may be otherwise mutually agreed.

## **20. IMPACT OF THE SCHEME ON HOLDERS OF NCDs OF THE DEMERGED COMPANY**

20.1 The holders of the NCDs in the Demerged Company shall continue to hold the NCDs in the Demerged Company even post the Scheme becoming effective on the same terms and conditions at which they were issued. The liability of the Demerged Company towards the NCD holders of the Demerged Company, is neither being reduced nor being extinguished under the Scheme. Thus, the rights of the holders of the NCDs are in no manner affected by the Scheme.

20.2 The additional disclosures that are required to be included in the Scheme in terms of SEBI Debt Circular, in relation to the listed NCDs of the Demerged Company on BSE are set out in **Schedule A**.

## **21. COSTS AND EXPENSES**

All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the Demerged Undertaking in the Resulting Company, in pursuance of this Scheme including stamp duty on the order(s) of the Tribunal, if any, to the extent applicable and payable shall be borne and paid as mutually agreed between the Boards of the Parties.

## **22. SEVERABILITY**

22.1 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to, only if the Scheme is approved in its entirety and given effect to in accordance with the terms of the



Scheme, except to the extent that the Parties may otherwise agree in writing.

- 22.2 Subject to Clause 22.1 above, if any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to the Parties, in which case the Parties, acting through their respective Boards, shall attempt to bring about a modification in this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by the Tribunal or any court of competent jurisdiction, or unenforceable under present or future Applicable Laws.

### **23. SAVING OF CONCLUDED TRANSACTIONS**

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company in relation to the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of the Resulting Company.

**SCHEDULE A**

**DETAILS OF LISTED NCDs OF THE DEMERGED COMPANY**

	<b>NCD – Series B</b>
<b>ISIN</b>	<b>INE423A07260</b>
<b>Face Value (Rs)</b>	10,00,000
<b>Dividend / Coupon</b>	8.85%
<b>Terms of payment of dividends/coupon including frequency, etc.</b>	Coupon, if any will be paid on Redemption Date
<b>Credit Rating</b>	CARE PP-MLD A+; Stable
<b>Tenure/Maturity</b>	27 <sup>th</sup> September 2024
<b>The terms of redemption</b>	21 Months
<b>Amount of redemption</b>	To be computed as per Pay-off to the investor subject to Call/ Put option
<b>Date of redemption</b>	27 <sup>th</sup> September 2024
<b>Redemption premium/discount</b>	NIL
<b>Early redemption scenarios, if any</b>	N.A.
<b>Other embedded features (put option, call option, dates, notification times, etc.)</b>	<p><b>Put Option</b></p> <p>In the event of existing rating from the rating agency goes below A-, the investors would have a put option. The put option can be exercised within 21 days of notice of the downgrade on 75% of the investors agreeing to it. A further 15 days would be available for the Demerged Company to pay the requisite dues (Principal Plus Interest) to the investors without any prepayment penalty. The put option will not be exercisable before the expiry of one year from the date of issue.</p>
<b>Other terms of instruments</b>	<p>Secured, Rated, Listed, Redeemable, Principal Protected Market Linked NCDs</p> <p><b>Step Up/Step Down Coupon Rate:</b></p> <p>In case of downgrade in external credit rating of the Market Linked NCDs leading to rating going to below</p>

	<p>A-, the Coupon Rate for the balance period would increase by 0.25% p.a. and thereafter 0.25% p.a. for each notch downgrade in rating from the rating downgrade date. In case the rating is upgraded, the Coupon Rate shall be decreased provided the Coupon was stepped up earlier</p> <p><b>Default Interest Rate/Additional Interest:</b></p> <p>Without prejudice to the other rights of the Debenture Trustee</p> <p>a) In case of default of payment of interest and / or principal redemption on the due date, additional interest@ 2% p.a. over the coupon rate will be payable by the Demerged Company from the date of the occurrence of such default until the default is cured or the Debentures are redeemed pursuant to such default, as applicable;</p> <p>b) In case of delay in listing of the debt securities beyond 4 trading days from the Issue Closing Date, the Demerged Company will pay additional interest@ 1% p.a. over the coupon rate from the Deemed Date of Allotment till due listing of such Market Linked NCDs.</p>
<b>Any other information/details pertinent for holders of NCDs</b>	Nil
<b>Name of debenture trustee</b>	Catalyst Trusteeship Limited

**Latest audited financials along with the notes to accounts and any audit qualifications** – please refer to the following URL on the website of the Demerged Company:

<https://www.adanienterprises.com/-/media/Project/Enterprises/Investors/Investor-Downloads/Annual-Report/AEL-FY24.pdf>

**An auditors' certificate certifying the payment/repayment capability of the resultant entity (Demerged Company)** – please refer to the following URL on the website of the Demerged Company:

<https://www.adanienterprises.com/-/media/Project/Enterprises/Investors/Scheme-of-Arrangement-between-Adani-Enterprise-Limited-and-Adani-Wilmar-Limited/Independent-Auditors-Certificate-on-capability-of-making-payment--repayment.pdf>

**Fairness Report** - please refer to the following URL on the website of the Demerged Company:

<https://www.adanienterprises.com/-/media/Project/Enterprises/Investors/Scheme-of-Arrangement-between-Adani-Enterprise-Limited-and-Adani-Wilmar-Limited/Fairness-Opinion-Report.pdf>

**Safeguards for the protection of holders of NCDs:** Refer to Clause 20 of the Scheme.

**Exit offer to the dissenting holders of NCDs, if any:** Since the holders of the NCDs in the Demerged Company shall continue to hold the NCDs in the Demerged Company even post the Scheme becoming effective on the same terms and conditions at which they were issued, the holders of the NCDs are not affected by the Scheme. Further, the liability of the Demerged Company towards the NCDs holders of the Demerged Company, is neither being reduced nor being extinguished under the Scheme. Therefore, the Scheme does not envisage any exit offer to the dissenting holders of the NCDs.