

NEAPS/ BSE ONLINE

May 8, 2017

**The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
1st Floor, New Trading Ring
Rotunda Building
Mumbai - 400 001**

**Listing Department
National Stock Exchange of India Limited
Plot No. C/1, Block-G
Exchange Plaza, 5th Floor,
Bandra Kurla Complex, Bandra (E),
Mumbai 400 051**

Dear Sirs,


Subject: Intimation under regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Order received from NCLT, Kolkata Bench

In furtherance to the approvals received from NSE dated 13th October, 2016 and BSE dated 14th October, 2016 for the Composite Scheme of Arrangement ("Scheme") between HSIL Limited ("Company"), Hindware Home Retail Private Limited ("HHRPL") and their shareholders and creditors, this is to inform you that the NCLT, Kolkata Bench has passed an order dated 4th May 2017 (received by the company on 5th May 2017) approving the said scheme.

The copy of the said order is attached for your perusal.

Kindly take the above information on record.

For HSIL LIMITED


**(Payal M Puri)
Company Secretary**

**Name: Payal M. Puri
Address: IA 35A, Phase 1 Ashok Vihar, Delhi - 110052
Membership No. 16068
Encl: As above**

HSIL Limited

(An ISO 9001 14001 OHSAS 18001 Certified Company)

Corporate Office: 301-302, IIIrd Floor Park Centra, Sector-30, NH-8, Gurgaon, Haryana - 122 001. T +91-124-4779200, F +91-124-4292898/99

Registered Office: 2, Red Cross Place, Kolkata, West Bengal - 700 001. T +91-33-22487406/07, F +91-33-22487045

marketing@hindware.co.in | www.hindwarehomes.com | CIN No. - L51433WB1960PLC024539



India's most awarded & certified bathroom products company

भारतीय गैर न्यायिक



INDIA NON JUDICIAL

पश्चिम बंगाल पश्चिम बंगाल WEST BENGAL

08AB 430170

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

C.P. No. 34 / 2017

In the matter of the Companies Act, 2013; Section- 230,231 & 232.

AND

In the matter of: Hindware Home Retail Private Limited & Anr.

Certified Copy of the Order dated 07.04.2017 passed by this Bench.



KOLKATA BENCH

8793

PRADEEP KUMAR JEWRAJKA
Advocate
12, Old Post Office Street
2nd Floor, Kolkata-700 001

NAME
ACQ
Rs.
21 APR 2017	
SURANJAN MUKHERJEE	
Licensed Stamp Vendor	
C.C. Court	
B.B. Road, Kolkata	

21 APR 2017
21 APR 2017

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH

C. P. No.34(230-232)/KB/2017

In the matter of : The Companies Act, 2013;

And

In the matter of : An application under Sections 230,
231 & 232 of the said Act;

And

In the matter of :

1. Hindware Home Retail Private Limited, a
Company incorporated under the Companies Act,
1956 and having its registered office at 2, Red
Cross Place, Kolkata 700 001;

And

2. HSIL Limited, a Company incorporated under the
Companies Act, 1956 and having its registered
office at 2, Red Cross Place, Kolkata 700 001;

And

1. Hindware Home Retail Private Limited
2. HSIL Limited

..... Petitioners



Order under Sections 230, 231 & 232 of the Companies Act, 2013

Upon the above petition coming on for further hearing on the Third day of April in the year Two Thousand Seventeen, upon reading the said petition, the Order dated Twenty-eighth day of November in the year Two Thousand Sixteen of the Hon'ble High Court at Calcutta whereby the meeting of the shareholders of the said petitioner company No.1 Hindware Home Retail Private Limited (Demerged Company) has been dispensed with in view of the written consent given by all the shareholders of the petitioner company No.1 which are annexed in original to the affidavit in support of the Judges' summons and upon reading the report dated Twenty Fifth day of January in the year Two Thousand Seventeen of the Chairperson appointed for convening and holding the meeting of the petitioner Company No.2 HSIL Limited, where from it appears that the meeting of the petitioner Company No.2 HSIL Limited (Transferee Company) has been convened and held on Friday, the Sixth day of January in the year Two Thousand Seventeen wherein the proposed Scheme of Arrangement has been unanimously approved without modification and upon reading the Order dated Seventh day of



February in the year Two Thousand Seventeen of the Hon'ble National Company Law Tribunal, Kolkata Bench, the Company Petition was admitted and ordered for a notice with the copy of the Petition be served on the Central Government through the Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata by Twenty Third day of February in the year Two Thousand Seventeen and notice be published in Business Standard and once in Pratidin by the said date, i.e., Twenty Third day of February in the year Two Thousand Seventeen and upon reading on the part of affidavit of Barun Das, Clerk in the employment of Pradeep Kumar Jewarjka, Advocate for Petitioners, affirmed on Sixteenth day of February in the year Two Thousand Seventeen confirming service of notice upon the Regional Director and publication of notice in Business Standard and in Pratidin on Fifteenth day of February in the year Two Thousand Seventeen, and upon reading the affidavit of Alok Samantarai, Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata, affirmed on the Twenty Eighth day of March in the year Two Thousand Seventeen filed on the part of the Central Government and upon reading the order made herein dated Seventh day of April in the year Two Thousand Seventeen and upon



hearing Manju Bhuteria, Advocate for the said petitioner companies and Sanjay Yadav Deputy Director representing Regional Director, Eastern Region, the Affidavit filed by the Central Government stating that the Ministry of Corporate Affairs appears to have forwarded a copy of the Scheme to the Income Tax Department on Twenty-fifth day of February in the year Two Thousand Seventeen with a request to forward their comments/observations/ objections, if any, on the proposed Scheme of Arrangement within fifteen days, but the Income Tax Authorities, however, did not respond to the said request and in view of the above –

This Tribunal doth hereby sanction the proposed Scheme of Arrangement mentioned in paragraph-1 of the petition and set forth in annexure "A" thereto and specified in the Schedule "A" hereto and doth hereby declare the same to be binding with effect from the First day of April in the year Two Thousand Fifteen (hereinafter referred to as the said "Appointed Date") on the Petitioner companies and their respective shareholders, creditors and all other concerned.



THIS TRIBUNAL DOETH ORDER

- 1) That all the properties, assets, rights and claims whatsoever of the Retail Business of the Transferor Company together with all its rights and obligations relating thereto to be transferred to and vest in the Transferee Company on the terms and conditions stated in the said Scheme of Arrangement as and from the First day of April in the year Two Thousand Fifteen without any further act or deed pursuant to the Companies Act, 2013; and
- 2) That leave is granted to the Petitioner Companies to file the Schedule of Assets within six weeks from the date of this Order to be made available herein; and
- 3) That the Transferee Company (petitioner Company No.2) do within thirty days of the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies, West Bengal, for registration.



4) That in the event the said petitioner companies supply a legible computerised printout of the Scheme and the Schedule of Assets in acceptable form to the department, the concerned department will append such computerized printout, upon verification, to the certified copy of this order without insisting on a hand written copy thereof; and

5) That the C. P. No.34(230-232)/KB/2017 be and same is hereby disposed of with the aforesaid directions.

Witness:

Mr. V. P. Singh, Hon'ble Member (Judicial) and Mr. S. Vijayaraghaban, Hon'ble Member (Technical), at Kolkata aforesaid the Seventh day of April in the year Two Thousand Seventeen.

Ms. Manju Bhuteria, Advocate for petitioners.

Mr. Sanjay Yadav, Deputy Director for Regional Director, Eastern Region.

Schedule of Assets

First Part

(As per annexure)



Second Part

(As per annexure)

Third Part

(As per annexure)


Registrar-In-charge
National Company Law Tribunal
Kolkata Bench

Dated : 04th day of May, 2017.



SCHEDULE 'A' ABOVE REFERRED TO

COMPOSITE SCHEME OF ARRANGEMENT

**UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100-104 OF THE COMPANIES ACT,
1956 AND/OR APPLICABLE SECTIONS OF THE COMPANIES ACT, 2013**

BETWEEN

HINDWARE HOME RETAIL PRIVATE LIMITED

(The Transferor)

AND

HSIL LIMITED

(The Transferee)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme (defined hereinafter) is presented pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and/or the Companies Act, 2013, as notified, amended, or re-enacted from time to time, including the rules made thereunder and also read with Section 2(19AA) of the IT Act (defined hereinafter), as applicable, for the demerger of the Demerged Undertaking (defined hereinafter) of the Transferor (defined hereinafter) and vesting of the same with the Transferee (defined hereinafter), on a going concern



basis and consequent reorganization of the capital of the Transferor. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

- B. HSIL Limited, (hereinafter referred to as "HSIL" or the "Transferee") is a public limited company incorporated and existing under the provisions of the Companies Act, 1956 (now Companies Act, 2013, to the extent notified and made applicable), having its registered office at 2, Red Cross Place, Kolkata - 700001. The Transferee was incorporated on February 8, 1960 under the name Hindusthan Twyford's Limited. Subsequently, the name of the Transferee was changed to Hindustan Sanitaryware & Industries Limited with effect from May 3, 1969, and the Transferee obtained a fresh Certificate of Incorporation from the Registrar of Companies, Kolkata (West Bengal), to the said effect. The name Hindustan Sanitaryware & Industries Limited was further changed to the present name HSIL Limited and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Kolkata (West Bengal) on March 24, 2009 in favor of the Transferee. The Corporate Identity Number of the Transferee is L51433WB1960PLC024539. The Transferee is authorized to and is *inter alia* engaged in the business of manufacturing, preparing, importing, exporting, buying, selling and otherwise dealing in all kinds of sanitaryware, faucets, other lifestyle products, consumer products, glass and plastic packaging material. The equity shares of the Transferee are listed on the Stock Exchanges (hereinafter defined).
- C. Hindware Home Retail Private Limited (hereinafter referred to as "HHRPL" or the "Transferor") is a private limited company incorporated and existing under the provisions of the Companies Act, 1956 (now Companies Act, 2013, to the extent notified and made applicable), with its registered office at 2, Red Cross Place, Kolkata - 700001. HHRPL was incorporated on November 24, 2005 in the State of West Bengal as Samridhi Suppliers Private Limited. Consequent to change of name of the Transferor to the present name Hindware Home Retail Private Limited, a fresh certificate of incorporation dated November 28, 2006 was issued by the Registrar of Companies, Kolkata (West Bengal) in favor of the Transferor. The Corporate Identity Number of the Transferor is U51109WB2005PTC106307. The Transferor is a wholly owned subsidiary of the Transferee.
- D. The Transferor, under due authorization of its memorandum of association, is primarily engaged in two businesses, namely, retail business and institutional business which are being carried on as separate undertakings. Under the retail business undertaking, the Transferor is engaged in buying, selling, trading, distributing and dealing *inter alia* in furniture products, home furnishing, household goods and consumer durable items through its chain of retail stores. Under the institutional business undertaking, the Transferor is engaged in providing, assisting or arranging construction, furnishing, renovation, repair, remodeling and furnishing of offices and houses, etc.

I. PROPOSED SCHEME AND RATIONALE THEREOF.

- A. This Scheme, *inter alia*, proposes to demerge the Demerged Undertaking (comprising the retail business undertaking of the Transferor) from the Transferor and transfer to and vest the same in the Transferee, on a going concern basis, such that the Demerged Undertaking becomes the undertaking of the Transferee on and with effect from the Appointed Date (defined hereinafter). With effect from the Appointed Date, the Transferor will continue to carry on the business of the Remaining Undertaking (defined hereinafter).
- B. The rationale for the demerger of the Demerged Undertaking into the Transferee is, *inter alia*, as follows:
- ensuring provision of adequate and necessary financial support and managerial capabilities of the Transferee for the growth of retail business/Demerged Undertaking;
 - consolidating retail business undertaking with the Transferee to achieve synergies in operations and optimal utilisation of resources, thereby reducing operating costs of running the Demerged Undertaking;
 - reducing the *inter se* transactions between the Transferee and the Transferor, thereby reducing administrative costs and achieving efficiencies; and
 - enhancing the shareholders' value of the Transferee and Transferor.
- C. This Scheme has been drawn up to comply with the conditions specified under Section 2(19AA) of the IT Act and may be modified, as required, in order to comply with the provisions thereof.

II. PARTS OF THE SCHEME

The Scheme is divided into following parts:

- Part I : Definitions and Interpretation
- Part II : Capital Structure



- Part III : Demerger of Demerged Undertaking from the Transferor and vesting of the same in the Transferee in accordance with Sections 391-394 read with Sections 100-104 of the Act and/ or other relevant provisions of the Act
- Part IV : Accounting Treatment
- Part V : General Terms and Conditions

PART I

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In addition to the words and expressions defined elsewhere in this Scheme, unless it is contrary or repugnant to the subject, context or meaning thereof, the following words and expressions shall have the meanings as set out hereunder:

- (a) "Act" means the Companies Act, 1956 and rules made thereunder (to the extent applicable) and the Companies Act, 2013 (as may be notified from time to time) and the rules made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;
- (b) "Applicable Law(s)" means any statute, notification, by-laws, rules, regulations, guidelines, rule or common law, policy, code, directive, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned, or other governmental restrictions or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority, including any modification or re-enactment thereof for the time being in force;
- (c) "Appointed Date" means opening hours of business on April 1, 2015, which shall be the date from which this Scheme shall deemed to be effective;
- (d) "Board of Directors" in relation to the Transferee or the Transferor, as the case may be, means the board of directors of the respective companies constituted from time to time and shall include a committee of directors or any person authorized by the board of directors or such committee of directors;
- (e) "Book Value(s)" means the value(s) of assets and liabilities of the Demerged Undertaking, as appearing in the books of accounts of the Transferor at the close of business on the day immediately preceding the Appointed Date;
- (f) "Demerged Undertaking" means and includes all the activities, business, operations and undertakings of and relating to retail business undertaking of the Transferor including storing, transporting, selling, distributing and trading in furniture and home décor and other products, *inter alia*, under the 'EVOK' trademark, through its chain of retail outlets and also includes the franchise business of the Transferor. Without prejudice and limitation to the generality of the above, the Demerged Undertaking shall mean and include:
- (i) all the assets and properties of the Demerged Undertaking wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, present, future or contingent, in possession or reversion, corporeal or incorporeal, inventory, debtors, leasehold improvements, vehicles, furniture, fixtures, office equipment, electrical, appliances, accessories, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances), provisions, receivables, funds, cheques and other negotiable instruments, margin money with banks, fixed deposits, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, rights to use, electronic mails, fax, telephone, computers, software applications and installations and VSATs pertaining to or relating to the Demerged Undertaking on a going concern basis;
- (ii) all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Demerged Undertaking of the Transferor including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");



- (iii) all benefits, subsidies, incentives, privileges, entitlements, policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, all other direct tax benefit/ exemptions/ deductions, sales tax deferrals, to the extent statutorily available to the Demerged Undertaking, along with associated obligations;
- (iv) all contracts, tenancies, agreements, memoranda of understanding, leases, leave and licenses, bids, tenders, expressions of interest, letters of intent, commitments (including to clients and other third parties), hire purchase arrangements, purchase orders, invoices, assignments, grants, engagements, powers of attorney, other arrangements, undertakings, deeds, bonds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Demerged Undertaking is a party, or to the benefit of which the Demerged Undertaking may be eligible ("**Contracts**");
- (v) all intellectual property rights of the Demerged Undertaking, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, domain names, mobile and web applications and the right to use thereto, trade secrets, domain names, computer programs, moral rights, development rights, right to use the trademarks, brand names or other intellectual property rights registered in the name of the Transferor with respect to the Demerged Undertaking (including trademarks and copyrights as listed in the Annexure I), finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("**Intellectual Property**");
- (vi) all taxes, duties, cess, etc., that are allocable, referable or related to the Demerged Undertaking, including share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax and other indirect taxes), deferred tax, tax business loss, unabsorbed depreciation and other benefits, all or any refunds, interest due thereon, credits and claims relating thereto in respect of Demerged Undertaking;
- (vii) all books, records, files, registers (statutory and otherwise), records of correspondence and filings made with Governmental Authorities and other parties/persons, catalogues, brochures, quotations, websites, list of customers, list of suppliers and logistic suppliers, list of service providers, sales data, customer credit information, pricing information, employee related data, papers, governance templates and process information, records of standard operating procedures, computer programs along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking;
- (viii) employees of the Transferor that are determined by its Board of Directors, to be substantially engaged in or in relation to the Demerged Undertaking, on the date immediately preceding the Effective Date ("**Transferred Employees**") and contributions, if any, made towards any insurance, provident fund, employees state insurance, gratuity fund, labour welfare fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such employees ("**Funds**"), together with such of the investments made by these Funds, which are relatable to such Transferred Employees;
- (ix) existing securities, mortgages, charges and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof relatable to the Demerged Undertaking;
- (x) all debts, liabilities including contingent liabilities, employee dues, service provider credits, duties, taxes and obligations of the Transferor pertaining to the Demerged Undertaking and/or arising out of and/or relatable to it ("**Transferred Liabilities**"); and
- (xi) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings (including arbitrations and show cause notices) of whatsoever nature by or against the Transferor pending as on the Appointed Date and relating to the Demerged Undertaking before any Governmental Authority.

Any issue as to whether any asset or liability pertains to or is relatable to the Demerged Undertaking or not shall be solely decided by the Board of Directors of the Transferor, on the basis of evidence that may be deemed to be relevant to them for the purpose (including the books or records of the Transferor).

- (g) "Effective Date" means the last of the dates on which a certified copy of the order passed by the Hon'ble High Court of Calcutta, sanctioning the Scheme, is filed by the Transferee and the



Transferor, respectively, with the Registrar of Companies, Kolkata (West Bengal) in terms of Section 394(3) of the Companies Act, 1956.

Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall refer to the Effective Date;

- (h) "Financial Statements" means and includes standalone and consolidated accounts, i.e., balance sheet, statement of profit & loss, cash flow statement and notes to accounts of the Transferor and the Transferee, as the context may require;
- (i) "Generally Accepted Accounting Principles" means the common set of accounting principles, standards and procedures used by companies to compile their financial statements;
- (j) "Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India, Stock Exchanges or any governmental or non-governmental self-regulatory organization;
- (k) "High Court" means the Hon'ble High Court of Calcutta that has jurisdiction over the Transferor and the Transferee, and shall include the National Company Law Tribunal or such other forum or authority, that may be vested with requisite powers under the Companies Act, in relation to provisions of Sections 391 to 394 of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013 as and when enforced and made applicable, in place of the High Court;
- (l) "IT Act" means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;
- (m) "Record Date" means the date to be fixed by the Board of Directors of the Transferor in consultation with the Transferee for the purpose of reckoning the names of the shareholders of the Transferor and the number of preference shares of the Transferor held by them, which shall be cancelled in the books of the Transferor upon this Scheme coming into effect;
- (n) "Residual HHRPL" or "Remaining Undertaking" means all the businesses carried on by the Transferor other than the Demerged Undertaking, including without limitation institutional business, online sales, all activities, operations, business, assets, contracts, intellectual property rights, license, permits, benefits, employees and liabilities (actual and contingent) of the aforesaid business;
- (o) "Transferee" means HSIL Limited, a company incorporated under Companies Act, 1956 having its registered office at 2 Red Cross Place, Kolkata, West Bengal - 700001, India;
- (p) "Transferor" or "HHRPL" means Hindware Home Retail Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 2 Red Cross Place, Kolkata, West Bengal - 700001, India;
- (q) "Scheme" means this Composite Scheme of Arrangement of the Transferee and the Transferor, in its present form, or with any modification(s) made under Paragraph 5.4 hereof; and
- (r) "Stock Exchange" means the stock exchanges where the equity shares of the Transferee are listed and are admitted to trading, viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

1.2 Interpretation

In this Scheme, unless the context otherwise requires:

- a) references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date of the Scheme;
- b) references to the singular includes a reference to plural and vice versa and reference to any gender includes a reference to all other genders;
- c) reference to persons shall include individuals, bodies corporate (wherever incorporated or unincorporated), associations and partnerships;
- d) headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- e) references to a Paragraph or Annexure, shall be deemed to be a reference to a paragraph or annexure of this Scheme;
- f) the Annexures to this Scheme shall form an integral and inseparable part of this Scheme;
- g) reference to the words 'hereof', 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;



- (h) references to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- (i) any reference to any statute or statutory provision shall include:
- (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

PART II CAPITAL STRUCTURE

2.1. The capital structure of the Transferor as on the Appointed Date is set out below:

Share Capital	Amount (Rs. in Lakhs)
Authorized share capital comprising of:	
5,00,00,000 equity shares of Rs. 10 each	5000.00
75,00,000 0% non-cumulative redeemable preference shares of Rs. 100 each	7500.00
Total	12500.00
Issued, Subscribed & Paid-up share capital comprising of:	
3,20,00,000 equity shares of Rs. 10 each	3200.00
62,90,000 0% non-cumulative redeemable preference shares of Rs. 100 each	6290.00
Total	9490.00

The whole of the share capital of the Transferor is held by the Transferee and its nominees. The Transferor has issued and may further issue, from time to time in one or more tranches, Equity Shares of Rs. 10 (Rupees Ten) each and/or Non-Cumulative Redeemable Preference shares of Rs. 100 (Rupees One Hundred) each of the Transferor, for cash at par, to the Transferee, after the Appointed Date till the Record Date.

2.2. The capital structure of the Transferor as on the date of approval of the Scheme by the Board of Directors of the Transferor is set out below:

Share Capital	Amount (Rs. in Lakhs)
Authorized share capital comprising of:	
5,00,00,000 equity shares of Rs. 10 each	5000.00
90,00,000 0% non-cumulative redeemable preference shares of Rs. 100 each	9000.00
Total	14000.00



Issued, Subscribed & Paid-up share capital comprising of:	
3,20,00,000 equity shares of Rs. 10 each	3200.00
89,90,000 0% non-cumulative redeemable preference shares of Rs. 100 each	8990.00
Total	12190.00

- 2.3. The capital structure of the Transferee as on the Appointed Date is set out below:

Share Capital	Amount in Rs. in lakhs
Authorised share capital comprising of:	
11,12,50,000 equity shares of Rs. 2 each	2225.00
Total	2225.00
Issued share capital comprising of:	
7,23,00,220 equity shares of Rs. 2 each	1446.00
Subscribed & Paid-up share capital comprising of:	
7,22,96,395 equity shares of Rs. 2 each	1445.93
Add : Forfeited Share	0.04
Total	1445.97

- 2.4. Up to and as on the date of approval of the Scheme by the Board of Directors of the Transferee, there is no change in the authorized, issued, subscribed and paid-up share capital of the Transferee.

PART III

DEMERGER OF DEMERGED UNDERTAKING FROM THE TRANSFEROR AND VESTING OF THE SAME IN THE TRANSFEEE IN ACCORDANCE WITH SECTIONS 391-394 READ WITH SECTIONS 100-104 OF THE ACT AND/ OR OTHER RELEVANT PROVISIONS OF THE ACT AND SECTION 2(19AA) OF THE IT ACT

3.1 TRANSFER & VESTING OF THE DEMERGED UNDERTAKING

Upon this Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall stand demerged from the Transferor and be transferred to and vested in the Transferee, on a going concern basis, without any further act or deed, so as to become, on and from the Appointed Date, the undertaking of the Transferee, and to vest in the Transferee, all the rights, title, interest or obligations of the Demerged Undertaking therein, in the manner described hereunder.

2.1.1 ASSETS

- (a) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all assets relating to the Demerged Undertaking, as are movable in nature or are incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or transfer by vesting and recorded pursuant to this Scheme, shall stand transferred to and vested in the Transferee and shall become the property and an integral part of the Transferee. The vesting pursuant to this Paragraph 3.1 shall be deemed to have occurred by manual delivery or endorsement and delivery or by delivery



instructions in relation to dematerialized shares or by vesting, as appropriate to the property being vested and the title to the property shall be deemed to have been transferred accordingly without any further act, deed or instrument or consent of any third party or any person to give effect to the provisions of this Paragraph 3.1.

- (b) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Transferor relating to the Demerged Undertaking, other than those specified in Paragraph 3.1.1(a) above, including cash and cash equivalents, insurance claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authorities or third parties, customers, suppliers and service providers and other persons shall without any further act, instrument or deed or consent of any third party or any person to give effect to the provisions of this Paragraph 3.1 shall stand transferred to and vested in the Transferee and become the property of the Transferee.
- (c) All immovable properties of the Demerged Undertaking of the Transferor (i.e., land together with the buildings and structures standing thereon or under construction) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, retail outlets, office space, guest houses and residential premises including those provided to/occupied by the Transferred Employees and all documents of title, rights and easements in relation thereto and all plant and machineries, fixtures and fittings, constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee, without any further act or deed done/executed or being required to be done/executed by the Transferor or the Transferee or both or consent of any third party or any person to give effect to the provisions of this Paragraph 3.1. The Transferee shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties of the Demerged Undertaking and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all rights in relation to or as applicable to such immovable properties.
- (d) Upon this Scheme becoming effective and with effect from the Appointed Date, in relation to assets belonging to the Demerged Undertaking, which require separate documents for vesting in the Transferee, or which the Transferor and/or the Transferee otherwise desire to be vested separately, the Transferor and the Transferee will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- (e) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets acquired by the Transferor after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking shall be deemed to have been acquired for and on behalf of the Transferee and shall also stand transferred to and vested in the Transferee.
- (f) Upon this Scheme becoming effective, the past track record and goodwill of the Transferor relating to the Demerged Undertaking including without limitation, the experience, credentials, credit worthiness and market share, shall be deemed to be the track record and goodwill of the Transferee for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

2.1.2 LIABILITIES

- (a) Upon this Scheme becoming effective and with effect from the Appointed Date, all liabilities including, debts, secured and unsecured loans, general or multi-purpose borrowings allocable, as per the provisions of Section 2(19AA) of the IT Act, contingent liabilities, duties and obligations of every kind, nature and description attributable or allocable to the Demerged Undertaking, shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Transferee, so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, undertakings, duties and obligations of the Transferee and the Transferee undertakes to meet, discharge and satisfy the same.
- (b) Upon this Scheme becoming effective, any liabilities attributable or allocable to the Demerged Undertaking that may arise or crystallize on or after the Appointed Date but which relate to period prior to the Appointed Date shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Transferee so as to become, from the Appointed Date, the debts, liabilities, contingent liabilities, undertakings, duties and obligations of the Transferee and the Transferee undertakes to meet, discharge and satisfy the same.
- (c) It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue



of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of Paragraph 3.1.

- (d) Where any of the liabilities pertaining to the Demerged Undertaking on the Appointed Date have been discharged by the Transferor after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee.
- (e) Upon this Scheme becoming effective and with effect from the Appointed Date, all loans raised and used, and liabilities incurred, if any, by the Transferor after the Appointed Date, but prior to the Effective Date, for the Demerged Undertaking shall be deemed to be transferred to, and raised by the Transferee, without any further act or deed.
- (f) Any reference in any security documents or arrangements to which the Transferor is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the assets pertaining to the Demerged Undertaking as are vested in the Transferee as per the Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other assets of the Transferor or any other assets of the Transferee. Provided further, that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages shall not extend.
- (g) The Transferred Liabilities, if any, due or which may at any time in the future become due only inter-se the Demerged Undertaking of Transferor and the Transferee, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee, in accordance with Part IV of this Scheme.
- (h) Upon the Scheme becoming effective, the Transferee alone shall be liable to perform all obligations in respect of the Transferred Liabilities of the Demerged Undertaking and the Transferor shall not have any obligations in respect thereof.

2.1.3 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- (a) Upon this Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, guarantees, lease deeds, agreements, term sheets entered into with various persons including independent consultants/parties, holding/subsidiaries/associate/joint venture companies (other than the Transferee) and other shareholders of such holding/subsidiaries/associate/joint venture companies, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Transferor is a party or to the benefit of which the Transferor may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, of the Transferee and may be enforced as fully and effectually as if, instead of the Transferor, the Transferee had been a party or beneficiary or oblige thereto or thereunder, without any further act, deed or instrument or the consent of any person to give effect to this Paragraph 3.1.
- (b) Without prejudice to the other provisions of this Scheme and notwithstanding that the vesting of the Demerged Undertaking with the Transferee occurs by virtue of this Scheme itself, the Transferee may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor will, if necessary, also be a party to the above. The Transferee shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor to be carried out or performed.
- (c) Upon this Scheme becoming effective, any and all intellectual property rights in relation to the Demerged Undertaking to which the Transferor is a party or to the benefit of which the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand vested and transferred to the Transferee and be and remain in full force and effect in favor of the Transferee and may be enforced by or against it as fully and effectually as if, instead of the Transferor, the Transferee had been a party or beneficiary or oblige thereto. Trademarks or other intellectual property rights forming part of the Demerged Undertaking shall stand vested and transferred to the Transferee with effect from the Appointed Date. The Transferor and the Transferee shall execute all necessary deeds/documents/agreements to give effect to the assignment/transfer of all such trademarks to the Transferee.



- (d) Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all Licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favor of the Transferor in relation to the Demerged Undertaking shall stand transferred to the Transferee as if the same were originally given by, issued to or executed in favor of the Transferee, and the Transferee shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor in relation to the Demerged Undertaking are concerned, the same shall vest with and be available to the Transferee on the same terms and conditions as applicable to the Transferor, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee.
- (e) Upon this Scheme becoming effective, all the resolutions of the Board of Directors and shareholders, if any, of the Transferor which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as the resolutions of the Transferee to the extent such resolutions pertain to the Demerged Undertaking, and, if any such resolutions have an upper monetary or any other limits imposed under the provisions of the Act, then the said limits shall apply *mutatis mutandis* to such resolutions and shall constitute the aggregate of the said limits in the Transferee.
- (f) The contracts, deeds, bonds and other documents, if any, between the Demerged Undertaking of Transferor and the Transferee, shall stand discharged and there shall be no liability in that behalf on either company.

2.1.4 EMPLOYEES

- (a) Upon this Scheme becoming effective, all employees of the Demerged Undertaking, i.e. the Transferred Employees, shall be deemed to have become employees of the Transferee, without any interruption of service and with the benefit of continuity of service and on terms and conditions which are not in any way, less favorable, as those applicable to them with reference to the Transferor on the Effective Date. The services of the Transferred Employees with the Transferor up to the Effective Date shall be taken into account for the purposes of all benefits to which the Transferred Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.
- (b) Upon this Scheme becoming effective, all contributions to Funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the Transferred Employees of the Demerged Undertaking shall be made by the Transferee in accordance with the provisions of such schemes or Funds and Applicable Law.
- (c) Subject to Applicable Law, the existing balances standing to the credit of the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor for the Transferred Employees of the Demerged Undertaking, the interest thereon, if any, and investments made by such Funds (if any) shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee without any separate act or deed/approval.
- (d) Contributions made by the Transferor to any of the Funds and/or the schemes under Applicable Law with respect to the Transferred Employees, after the Appointed Date but prior to the Effective Date, shall be deemed to be contributions made by the Transferee with respect to the Transferred Employees.

2.1.5 CONTINUATION OF PROCEEDINGS

- (a) Upon the Scheme becoming effective, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor, whether pending on the Appointed Date, or which may be instituted any time after the Appointed Date (irrespective of whether they relate to periods on or prior to the Appointed Date) and in each case relating to the Demerged Undertaking ("**Proceedings**") shall be continued and enforced by or against the Transferee after the Effective Date, to the extent legally permissible. To the extent such Proceedings cannot be taken over by the Transferee, such proceedings shall, subject to Paragraph 3.1.5(b), be pursued by the Transferor as per the instructions of and entirely at the costs and expenses of the Transferee.
- (b) If any Proceedings are initiated or carried on against the Transferor in respect of the matters referred to in Paragraph 3.1.5(a) above, the Transferor shall defend the same and at the cost of



the Transferee, and the Transferee shall reimburse, indemnify and hold harmless the Transferor against all such liabilities and obligations.

- (c) If any Proceedings is/are pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Transferee in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor, as if this Scheme had not been made.
- (d) In the event of any difference or difficulty on whether any specific legal or other proceedings relates to the Demerged Undertaking or not, the decision of the Board of Directors of the Transferor in this regard shall be conclusive and binding on the Transferor and the Transferee.

2.1.6 TREATMENT OF TAXES

- (a) Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable by the Transferor, accruing and relating to the Demerged Undertaking that may arise or crystallize on or after the Appointed Date but which relate to period prior to the Appointed Date shall, for all purposes, be treated as the liability of the Transferee from the Appointed Date, and the Transferee undertakes to meet, discharge and satisfy the same.
- (b) Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable or receivable by the Transferor, accruing and relating to the Demerged Undertaking from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, or refunds and claims, as the case may be, of the Transferee.
- (c) Upon this Scheme becoming effective, all unavailed tax credits and exemptions, benefit of carried forward tax business losses, unabsorbed depreciation and other statutory benefits, including in respect of income tax (including tax deducted at source, tax collected at source, advance tax, etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the Demerged Undertaking to which Transferor is entitled to shall be available to and vest in the Transferee, without any further act or deed.
- (d) Upon this Scheme becoming effective, Transferor and the Transferee are permitted to revise and file their respective income tax returns, withholding tax returns, including tax deducted at source certificates, sales tax/value added tax returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.
- (e) The Board of Directors of the Transferor shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to the Transferee.

2.1.7 BOOKS AND RECORDS

- (a) All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor pertaining to the Demerged Undertaking, to the extent possible and permitted under Applicable Laws, be handed over by them to the Transferee.

2.1.8 SAVING OF CONCLUDED TRANSACTIONS

- (a) The transfer of properties and liabilities to, and the continuance of proceedings by or against, the Transferee shall not affect any transaction or proceedings already concluded by the Transferor on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee accepts and adopts all acts, deeds and things done and executed by the Transferor in respect thereto as done and executed on behalf of itself.

3.2 CONDUCT OF BUSINESS

- (a) Subject to the effectiveness of the Scheme, with effect from the Appointed Date and up to and including the Effective Date:
- (i) the Transferor undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Demerged Undertaking, for and on account of and in trust for the Transferee;
 - (ii) all income, receipts, profits accruing to the Transferor and attributable to the Demerged Undertaking and all taxes thereon or losses arising or incurred by it with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the income, expenses, payments, profits, taxes or losses, as the case may be, of the Transferee; and



- (iii) all obligations, liabilities, duties and commitments attached, related or pertaining to the Demerged Undertaking shall be undertaken and shall be deemed to have been undertaken by the Transferor for and on account of and in trust for the Transferee.
- (b) Subject to the effectiveness of the Scheme, with effect from the date of approval of this Scheme by the Board of Directors of the Transferor and the Transferee, and up to and including the Effective Date, the Transferor shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- (c) The Transferee shall also be entitled, pending the sanction of this Scheme, to apply to the relevant Governmental Authorities, wherever necessary, for such consents, approvals and sanctions which the Transferee may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any law for time being in force for carrying on business of the Demerged Undertaking.

3.3 CONSIDERATION

- (a) Since the Transferor is a wholly owned subsidiary of the Transferee, no new shares of the Transferee shall be issued to the shareholders of the Transferor, as the Transferee cannot issue shares to itself. Pursuant to the demerger and upon coming into effect of the Scheme, the Transferor shall reduce and reorganise its paid-up equity share capital, securities premium and non-cumulative redeemable preference share capital in the manner described in Paragraph 3.4 of this Scheme.
- (b) Pursuant to the demerger and upon coming into effect of the Scheme, the Transferee shall reorganise and adjust in its books the cost of equity and preference shares in the Transferor equivalent to the net assets of the Transferor remaining subsequent to the demerger on the Appointed Date.

3.4 REORGANIZATION AND REDUCTION OF CAPITAL

- (a) The reduction of the paid-up equity share capital and non-cumulative redeemable preference share capital along with the consequent reduction in the securities premium account of the Transferor shall be effected as an integral part of this Scheme itself in accordance with the provisions of Sections 100 to 104 of the Companies Act, 1956 or Section 86 (once notified) of the Companies Act, 2013 and Section 52 of the Companies Act, 2013 and any other applicable provisions of the Act and the order of the High Court sanctioning this Scheme shall be deemed to also be the order under Section 102 of the Companies Act, 1956 or Section 86 (once notified) of the Companies Act, 2013 for the purpose of confirming the capital reduction. The capital reduction would not involve either the diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital and accordingly, the provisions of Section 101 of the Companies Act, 1956 will not be applicable.
- (b) Notwithstanding the reduction in the share capital of the Transferor, the Transferor shall not be required to add "And Reduced" as suffix to its name and the Transferor shall continue under its existing name.
- (c) It is hereby further clarified that the capital reduction and reorganisation of the capital of the Transferor in the manner provided in this Scheme (i) shall not affect the authorised share capital of the Transferor and the unissued authorised share capital shall be available to Transferor for issue and allotment; and (ii) shall be effected upon the Scheme becoming effective and with effect from the Record Date.
- (d) An independent valuation expert has issued a report determining the number of equity shares, including securities premium, and preference shares to be reduced and reorganised of the Transferor subsequent to the demerger and consequent number of equity shares, including securities premium and preference shares remaining in the Transferor.
- (e) Pursuant to the demerger, the capital reduction and reorganisation of the capital of the Transferor shall be effected in the following manner:
- (i) the issued, subscribed and paid-up equity share capital of the Transferor shall be reduced and reorganised by reducing the face value and paid up value of equity shares of Rs. 10 (Rupees Ten) each of the Transferor to Re. 0.20 (Twenty Paise) each. Simultaneously, the equity share capital of the Transferor shall be reorganized and consolidated and as a result, every shareholder of the Transferor holding 50 (Fifty) equity shares of face value and paid up value of Re. 0.20 (Twenty Paise) each shall be issued 1 (One) equity share of face value and paid up value of Rs. 10 (Rupees Ten) each.
- (ii) the issued, subscribed and non-cumulative preference share capital of the Transferor shall be reorganised by reducing the face value and paid up value of preference shares of Rs. 100 (Rupees One Hundred) each of the Transferor to Rs. 2 (Rupees Two) each.



Simultaneously, the non-cumulative preference share capital of the Transferor shall be reorganized and consolidated and as a result, every shareholder of the Transferor holding 50 (Fifty) preference shares of face value and paid up value of Rs.2 (Rupees Two) each shall be issued 1 (One) preference share of face value and paid up value of Rs. 100 (Rupees One Hundred) each; and

- (iii) the securities premium shall stand reduced by an amount of Rs. 20,58,00,000 (Rupees Twenty Crore Fifty Eight Lacs).
- (f) It is hereby clarified that any share capital of the Transferor issued and allotted post the Appointed Date and prior to the Record Date shall be reorganized and adjusted in pursuance to the demerger and the transfer and vesting of the Demerged Undertaking in the Transferee, in the manner as provided in Paragraph 3.4 (e) above.
- (g) It is hereby clarified that pursuant to the reduction and reorganisation of capital of the Transferor in the manner as provided under Paragraph 3.4 (e) and 3.4 (f) of this Scheme, no fractional equity shares or non-cumulative preference shares shall be issued by the Transferor and all fractional entitlements shall be rounded off to the nearest higher integer.
- (h) The consent of the shareholders of the Transferor to this Scheme shall be deemed to be consent of the shareholders of the Transferor for the purpose of effecting the reduction and reorganization of the share capital and securities premium of the Transferor pursuant to this Scheme.
- (i) Further, the share certificates of the Transferor, in relation to the equity shares and preference shares held by the Transferee post the Scheme being effective, without any further application, act, instrument, or deed, be deemed to have been automatically modified pursuant to reorganisation of share capital contemplated in Paragraphs 3.4(e) and 3.4 (f) above.
- (j) The reduction and reorganisation of equity share capital and preference share capital as envisaged above shall not have any adverse effect on the employees/workmen or any secured creditors, financial institutions or banks of the Transferor.
- (k) The reduction and reorganisation of the equity share capital and preference share capital will be for the benefit of the Transferor and its shareholders. Such reduction and reorganisation of capital will also not cause any prejudice to the creditors of the Transferor. Further, the reduction and reorganisation and the consequential adjustments shall not in any way adversely affect the ordinary business or operations of the Transferor or its ability to honor its commitments or to pay its debts in the ordinary course of business.

3.5 RESIDUAL HHRPL - REMAINING UNDERTAKING OF THE TRANSFEROR

- (a) The Remaining Undertaking of the Transferor and all other assets, liabilities, incentives, rights and obligations pertaining thereto shall continue to be vested in and managed by the Transferor.
- (b) All legal and other proceedings including any claims, warranties, indemnities under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking of the Transferor (including those relating to any property, right, power, liability obligation or duty, of the Transferor in respect of the Remaining Undertaking of the Transferor) shall be continued and enforced against the Transferor.
- (c) With effect from the Appointed Date:
 - (i) The Transferor shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Undertaking of the Transferor for and on its own behalf;
 - (ii) The Transferor may enter into such contracts as the Transferor may deem necessary in respect of the Remaining Undertaking;
 - (iii) All profits accruing to the Transferor thereon or losses arising or incurred by it relating to the Remaining Undertaking of the Transferor, for all purposes be treated as the profits, or losses, as the case may be of the Transferor;
 - (iv) All assets and properties acquired by the Transferor in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Transferor; and
 - (v) All liabilities (including contingent liabilities) loans, debts (secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Undertaking shall belong to and continue to remain to be vested in the Transferor.



PART IV
ACCOUNTING TREATMENT

4. ACCOUNTING TREATMENT IN THE BOOKS OF ACCOUNTS OF THE TRANSFEROR AND THE TRANSFEREE

4.1 IN THE BOOKS OF THE TRANSFEROR

- (a) The Board of Directors of Transferor shall give effect to the Scheme in the books of account of the Transferor, as they deem fit, in accordance with the applicable accounting standards and Generally Accepted Accounting Principles.
- (b) The assets and liabilities of Demerged Undertaking, as depicted in Annexure II, being transferred to the Transferee shall be transferred at values appearing in the books of account of the Transferor as on the Appointed Date.
- (c) The Transferor shall debit/credit the remaining difference after taking into the effect of Paragraphs 4.1(a), 4.1(b) and 3.3 above to its capital reserve and / or any other appropriate account, as the case may be.

4.2 IN THE BOOKS OF THE TRANSFEREE

- (a) The Board of Directors of Transferee Company shall give effect to the Scheme in the books of account of the Transferee Company, as they deem fit, in accordance with the applicable accounting standards and Generally Accepted Accounting Principles.
- (b) Upon this Scheme becoming effective and consequent to the transfer and vesting of the Demerged Undertaking in the Transferee, the Transferee shall, in accordance with the applicable accounting standards/Generally Accepted Accounting Principles/ Indian accounting standards (IND-AS) as may be relevant for the preparation and presentation of financial statements of the Transferee:
 - (i) Record assets and liabilities pertaining to the Demerged Undertaking at the respective carrying values as appearing the books of the Transferor as on the Appointed Date;
 - (ii) To the extent of reorganization of share capital of the Transferor as stated in Paragraph 3.3, the investment in equity and preference share capital of Transferor as appearing in the books of account of Transferee shall stand cancelled; and
 - (iii) The Transferee shall debit/credit the remaining difference after taking into the effect of Paragraphs 4.2(b)(i) and (ii) to its capital reserve and / or any other appropriate account, as the case may be.
- (c) In order to comply with certain laws and regulations, the Transferee may be required to prepare and present its financial statements for the financial year ended 31 March 2016 after giving the effect to this Scheme in accordance with the Section 133 of the Companies Act read with Rule 7 of the Companies (Accounts) Rules, 2014. In such a situation, the deficit arising after recording the entries contained in Paragraph 4.2(b)(i) and after giving effect to adjustment under Paragraph 3.3 above shall be recorded as goodwill or in case of surplus of assets over liabilities, the same shall be credited to the capital reserve in the books of account of the Transferee.

PART V

GENERAL TERMS AND CONDITIONS

5.1 Application(s) to the High Court

- (a) The Transferor and the Transferee shall make joint applications/petitions under Section 391 and other applicable provisions of the Companies Act to the High Court, as necessary, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning this Scheme and for consequent actions and further applications/petitions under Sections 391 to 394 and other applicable provisions of the Act including for sanction/confirmation/clarification of the Scheme or connected therewith, as necessary.



5.2 Revision of accounts and tax filings, modification of charge

- (a) Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferor and the Transferee are expressly permitted to revise and file their income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and have expressly reserved the right to make such provisions in their returns and to claim refunds or credits etc., if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.
- (b) Filing of the certified copy of the order of the High Court sanctioning this Scheme with the Registrar of Companies, Kolkata (West Bengal) shall be deemed to be sufficient for creating or modifying the charges in favor of the secured creditors, if any, of the Demerged Undertaking of the Transferor, as required as per the provisions of this Scheme.

5.3 Compliance with provisions of Income Tax Act, 1961

- (a) The demerger in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961, or any modification or re-enactment thereof.
- (b) If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme.

5.4 Modifications and Amendments to the Scheme

- (a) Notwithstanding anything to the contrary contained in this Scheme, the Transferor and the Transferee (acting through their respective Board of Directors or a committee thereof or authorized representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and/or which the High Court, and/or which the shareholders and/or creditors of the respective the Transferor and the Transferee may recommend or impose.
- (b) The Transferor and the Transferee (acting through their respective Board of Directors or a committee thereof or authorized representatives) shall be authorized to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the High Court or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.
- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the authorized officials of the Transferor and the Transferee may give and are hereby authorized to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

5.5 Conditionality of the Scheme

- (a) This Scheme is conditional upon and subject to the following:
- (i) the Scheme is being agreed to and approved by requisite majority of the various classes of shareholders and creditors of both the Transferee and the Transferor as required under the Companies Act, 1956 unless such meetings are dispensed with by the High Court;
 - (ii) the Transferee and the Transferor (to the extent applicable) complying with rules, regulations, guidelines issued by the Securities and Exchange Board of India and the Stock Exchanges and the observation letter issued by the Stock Exchanges;
 - (iii) sanction/approval of appropriate Governmental Authorities as may be required under Applicable Laws;
 - (iv) this Scheme being sanctioned by the High Court; and
 - (v) certified copies of the orders of the High Court sanctioning the Scheme being filed by the Transferor and the Transferee, with the Registrar of Companies, Kolkata (West Bengal).
- (b) Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of either of the Transferor to the



Transferee pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the respective Transferor and the Transferee so decide.

5.6 Revocation and withdrawal of this Scheme

The Board of Directors of the Transferor and the Transferee shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the majority of the respective shareholders or creditors of the Transferor and/or the Transferee and/or the High Court or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the shareholders and/or the creditors of the Transferor and/or the Transferee, the High Court and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on the Transferor and/or the Transferee; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal of this Scheme, the Scheme shall be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Transferor and the Transferee or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

5.7 Severability

If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of both the Transferor and the Transferee that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferor or the Transferee, in which case the Transferor and the Transferee 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 of the Scheme.

5.8 Mutation of property

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties of the Demerged Undertaking shall be deemed to have been mutated and recognized as that of the Transferee and the mere filing of the certified true copy of the vesting order of the Court sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Governmental Authority shall suffice as record of continuing title of the immovable properties of the Demerged Undertaking with the Transferee pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

5.9 Miscellaneous

- (a) Post the Appointed Date, the Transferee has made or may make investments in equity shares / preference share capital / granted loans / any other instruments to the Transferor and may make further investments in preference share capital / grant loans to the Transferor in relation to the business of the Demerged Undertaking and the Remaining Undertaking. The accounting treatment of such investments and loans made after the Appointed Date will be decided by the Board of Directors of the Transferee in its discretion, in accordance with the applicable accounting standards.

- (b) The Transferor and the Transferee shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

It is clarified that the aforesaid provisions in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any shareholder of either the Transferor or the Transferee to demand or claim any dividends, which subject to the provisions of the Companies Act (or Companies Act, 2013, as applicable), shall be entirely at the discretion of the Board of Directors of the Transferor and the Transferee, as the case may be, subject to such approval of the respective shareholders, as may be required.

- (c) All costs, expenses, charges, taxes, fees and all other expenses, if any, including stamp duty and registration charges, if any, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee.

Annexure I



Part A - Details of Trademarks of the Demerged Undertaking

S. No.	Trademark	Class	Application No.	Date of Application	Proprietor	Registration Valid Till
1.	Evok	3	1589342	10.08.2007	Hindware Home Retail Pvt. Ltd.	09.08.2017
2.	Evok (Homes with soul)	3	1677516	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
3.	Evok	7	1579362	16.07.2007	Hindware Home Retail Pvt. Ltd.	15.07.2017
4.	Evok (Homes with soul)	7	1677517	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
5.	EVOK (logo)	8	1512242	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2006
6.	EVOK	8	1502530	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
7.	EVOK Homes with Soul	8	1677518	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
8.	EVOK	11	1579363	16.07.2007	Hindware Home Retail Pvt. Ltd.	15.07.2017
9.	EVOK Homes with Soul	11	1677519	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
10.	Evok	16	1579364	16.07.2007	Hindware Home Retail Pvt. Ltd.	15.07.2017
11.	Evoke (Homes with Soul)	16	1677520	21.04.08	Hindware Home Retail Pvt. Ltd.	20.04.2018
12.	Evok	19	1579365	16.07.2007	Hindware Home Retail Pvt. Ltd.	15.07.2017
13.	incasa	20	1502533	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
14.	Evok	20	1512243	12.12.2006	Hindware Home Retail Pvt. Ltd.	-
15.	Evok	20	1502535	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
16.	Evoke (Homes with Soul)	20	1677522	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
17.	Evok	21	1502529	08.11.2006	Hindware Home Retail Pvt. Ltd. (previously Samridhi Suppliers Pvt. Ltd.)	07.11.2016
18.	evok (logo)	21	1512244	12.12.2006	Hindware Home Retail Pvt. Ltd.	-
19.	Evoke (Homes with Soul)	19	1677521	21.04.08	Hindware Home Retail Pvt. Ltd.	20.04.2018
20.	Evok	24	1502538	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016



21	Evok	24	1512245	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2016
22	Evok homes with Soul	24	1677524	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
23	Evok	26	1502537	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
24	Evok	26	1512246	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2016
25	Evok (Homes with Soul)	26	1677525	21.04.2008	Hindware Home Retail Pvt. Ltd.	-
26	Evok (Homes with Soul)	42	1677529	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
27	Evok	27	1502531	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
28	Evok	27	1512247	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2016
29	EVOK HOMES WITH SOUL	27	1677526	21.04.2008	Hindware Home Retail Pvt. Ltd.	-
30	Evok	35	1502538	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
31	INCASA	35	1502534	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
32	evok	35	1512248	12.12.2006	Hindware Home Retail Pvt. Ltd.	-
33	EVOK (Homes with Soul)	35	1677527	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
34	Evok	37	1579366	16.07.2007	Hindware Home Retail Pvt. Ltd.	-
35	Evok (Homes with soul)	37	1677528	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
36	Evok	42	1502532	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
37	Evok	42	1512249	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2016
38	INCASA	20	1502533	08.11.2006	Hindware Home Retail Pvt. Ltd. (previously Samridhi Suppliers Pvt. Ltd.)	-

Part B - Details of registered Copyrights of the Demerged Undertaking

1. EVOK Homes With Soul The Home Fashion Mega Store (LABEL) – Registration No. A-85844/2009
2. EVOK Homes With Soul (LABEL) – Registration Certificate Awaited.



Annexure II

Details of Assets and Liabilities of Demerged Undertaking of the Transferor as on the
Appointed Date

Particulars	Amount in Rs.(in Crores)
Assets	
Non-current assets	
Fixed assets	
Tangible assets	24.08
Intangible assets	0.54
	<u>24.62</u>
Long-term loans and advances	3.99
Other non current assets	0.11
	<u>28.72</u>
Current assets	
Inventories	35.52
Trade receivables	1.90
Cash and bank balances	0.99
Short-term loans and advances	1.87
Other current assets	0.01
	<u>40.29</u>
Total Assets	<u>69.01</u>
Non-current liabilities	
Long-term borrowings	1.44
Long-term provisions	0.52
	<u>1.96</u>
Current liabilities	
Short-term borrowings	27.75
Trade payables	14.39
Other current liabilities	12.77
Short-term provisions	0.02
	<u>54.93</u>
Total Liabilities	<u>56.89</u>



Registrar

SCHEDULE - 'B' ABOVE REFERRED TO

SCHEDULE OF ASSETS OF HINDWARE HOME RETAIL PRIVATE LIMITED (The Transferor Company)
TO BE TRANSFERRED TO AND VESTED IN HSIL LIMITED (The Transferee Company)

SCHEDULE OF ASSETS AS ON 31.03.2015

PART-I

SHORT DESCRIPTION OF THE FREEHOLD PROPERTY OF THE TRANSFEROR COMPANY

<u>FIXED ASSETS</u>	<u>Rupees</u>	<u>Rupees</u>
i) Vehicles	14,29,653	
ii) Air Conditioning Unit	97,84,467	
iii) Office Equipments	88,64,445	
iv) Computers	23,97,479	
v) Furniture & Fittings	8,80,05,775	
vi) Tools	8,42,343	
vii) Intangible Assets - Computer Software	<u>53,81,671</u>	
		<u>11,67,05,833</u>

PART-II

SHORT DESCRIPTION OF THE LEASEHOLD PROPERTY OF THE TRANSFEROR COMPANY

<u>FIXED ASSETS</u>	<u>Rupees</u>	<u>Rupees</u>
i) Leasehold Improvements	<u>12,94,59,708</u>	<u>12,94,59,708</u>

PART-III

SHORT DESCRIPTION OF ALL STOCKS, SHARES, DEBENTURES AND OTHER CHARGES IN ACTION OF THE TRANSFEROR COMPANY

	<u>(in Rs.)</u>
(A) INVENTORIES	35,51,77,108
(B) TRADE RECEIVABLES	1,90,24,032
(C) CASH & BANK BALANCES	99,59,288
(D) LOANS & ADVANCES	5,85,58,487
(E) OTHER CURRENT ASSETS	63,172
(F) OTHER NON-CURRENT ASSETS	11,35,670
	<u>44,39,17,757</u>



Certified True

Date of Application..... M.A. No..... 1444/2017 dt 27/4/17

Number of pages..... Twenty eight

Fee Paid Rs..... 500/- on..... 27/4/17

Applicant called for collecting copy on..... 05/05/17

Copy prepared on..... 05/5/17

Copy issued on..... 05/5/17

Kannan
M. KANNAN
DY. DIRECTOR

National Company Law Tribunal
Kolkata