

SCHEME OF ARRANGEMENT

AMONG

SANOFI INDIA LIMITED

as the Demerged Company

AND

**SANOFI CONSUMER HEALTHCARE INDIA
LIMITED**

as the Resulting Company

AND

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER CHAPTER XV OF THE COMPANIES ACT, 2013)**

Part I: Introductions and Definitions

1. OVERVIEW AND OBJECTS OF THIS SCHEME

1.1 Overview

- 1.1.1 Sanofi India Limited is a company incorporated under the Companies Act, 1956 bearing corporate identification number L24239MH1956PLC009794 and having its registered office at Sanofi House, CTS No.117-B, L&T Business Park Saki Vihar Road, Powai, Mumbai, Maharashtra, India - 400072 (“**Demerged Company**”). The Demerged Company is primarily engaged in the business of manufacturing, producing, processing, marketing, formulating, buying, trading, storing, packing, selling, distributing, importing, exporting, providing consultancy and otherwise dealing in all varieties of pharmaceuticals including drugs, chemicals, medicinal products and antibiotic products. The equity shares of the Demerged Company are listed on BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”).
- 1.1.2 Sanofi Consumer Healthcare India Limited, is a company incorporated under the Companies Act, 2013 bearing corporate identification number U21002MH2023PLC402652 and having its registered office at Sanofi House, CTS No.117-B, L&T Business Park Saki Vihar Road, Powai, Mumbai, Maharashtra, India - 400072 (“**Resulting Company**”). The Resulting Company has been incorporated to carry on the business of manufacturing, producing, processing, marketing, formulating, buying, trading, storing, packing, selling, distributing, importing, exporting, providing consultancy and otherwise dealing in all kinds of varieties of pharmaceuticals, especially consumer healthcare products including drugs, chemicals, medicinal products and antibiotic products.
- 1.1.3 This Scheme seeks to demerge the Demerged Undertaking (*as defined below*) into the Resulting Company.
- 1.1.4 The Residual Undertaking (*as defined below*), after the demerger of the Demerged Undertaking shall be retained, managed and operated by the Demerged Company.
- 1.1.5 The arrangement under this Scheme will be effected under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules formed thereunder. The demerger of the Demerged Undertaking shall be in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.
- 1.1.6 The demerger of the Demerged Undertaking will be effective upon the satisfaction of the conditions precedent set out in Clause 5.1 of Part V this Scheme.
- 1.1.7 Upon the demerger of the Demerged Undertaking into the Resulting Company, pursuant to this Scheme becoming effective on the Effective Date (as defined below), the Resulting Company will issue equity shares to the shareholders of the Demerged Company as of the Record Date (as defined below), in accordance with the Demerger Share Entitlement Ratio (as defined below) approved by the Board of Directors of each of the Demerged Company and the Resulting Company as set out in this Scheme.
- 1.1.8 This Scheme is segregated into 5 parts:
- (i) Part-I sets forth the overview and objects of this Scheme;
 - (ii) Part-II sets forth the capital structure of the Demerged Company and the Resulting Company;

- (iii) Part-III deals with the demerger of the Demerged Undertaking into and with the Resulting Company, in accordance with Sections 230 to 232 of the Companies Act, 2013;
- (iv) Part-IV deals with the Residual Undertaking of the Demerged Company; and
- (v) Part-V deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of this Scheme.

1.2 **Brief overview of the Companies**

1.2.1 Sanofi India Limited

- (i) The Demerged Company is a public limited company incorporated under the Companies Act, 1956 bearing corporate identification number L24239MH1956PLC009794 and has its registered office at Sanofi House, CTS No.117-B, L&T Business Park Saki Vihar Road, Powai, Mumbai, Maharashtra, India – 400072.
- (ii) The objects of the Demerged Company as provided in its memorandum of association are, inter alia:
 - (a) to carry on business in India as manufacturers, producers and refiners of drugs, medicines and chemical, pharmaceutical and antibiotic products and preparations of all kinds and all dyes, dyestuffs, paints, varnishes, colours and industrial, natural and chemical fertilisers of every description and tanning materials and ingredients of every kind and other articles, compounds, ingredients and other things of any description whether analogous to the foregoing or not;
 - (b) to carry on business in India as importers and dealers in, wholesale and retail and distribution of drugs, medicines and chemical, pharmaceutical and antibiotic products and preparations of all kinds and all dyes, dyestuffs, paints, varnishes, colours and industrial, natural and chemical fertilisers of every description and tanning materials and ingredients of every kind and all other articles of any description as the aforesaid;
 - (c) to buy, sell, deal in all kinds of machinery, plant and apparatus, utensils, articles and substances and things commonly used or capable of being used in connection with the materials and things to be manufactured, refined, dealt with, imported, distributed or sold by the company;
 - (d) to carry on any other trade or business whatsoever which can, in the opinion of the Company, be advantageously and conveniently carried on by the Company by way of extension of or in connection with any such business as aforesaid or is calculated directly or indirectly. to develop any branch of the Company's business or to increase the value of or turn to account any of the Company's assets, property or rights;
 - (e) to apply for purchase or otherwise acquire any interest in any recipes, patents, trademarks, licences, concessions or the like conferring exclusive or non-exclusive or limited right to use the same or any secret or information as to any invention in relation to the pro-cessing, manufacture, treatment, storage, application and use of drugs, medicines and chemical, pharmaceutical and antibiotic products and preparations of all kinds, dyes, dyestuffs, paints, varnishes, colours, fertilisers and tanning materials and of any materials or

compounds or of any apparatus used in such processing, manufacture; treatment, storage, application and use or generally any inventions which may seem capable of being used for the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, grant licences in respect thereof or otherwise turn to account the properties, rights and information so acquired;

- (f) to acquire, buy, purchase, lease or otherwise acquire, hold, sell, ex-change, grant, dispose of and deal in lands, buildings, offices, shops, warehouses, laboratories, garages and premises of every description. mortgages, charges, grants, concessions, leases, contracts, policies, book debts and claims and any interest in any moveable or im-moveable property and any claims against such property; and
- (g) to adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, posters, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations (including donations to any fund for charitable or public purposes).

1.2.2 Sanofi Consumer Healthcare India Limited

- (i) The Resulting Company is a deemed public limited company incorporated under the Companies Act, 2013 bearing corporate identification number U21002MH2023PLC402652 and has its registered office at Sanofi House, CTS No.117-B, L&T Business Park Saki Vihar Road, Powai, Mumbai, Maharashtra, India – 400072.
- (ii) The objects of the Resulting Company as provided in its memorandum of association are, inter alia:
 - (a) to carry on the business of manufacturing, producing, processing, marketing, formulating, buying, trading, storing, packing, selling, distributing, importing, exporting, providing consultancy and otherwise dealing in all kinds of varieties of pharmaceuticals, especially consumer healthcare products, including: (i) basic drugs; (ii) drug intermediates; (iii) chemical, medical, biological and electrolytic drugs, ingredients, medicare, preparations and compositions; (iv) medicines, preparations and formulations in all or any forms, including formulations in which various drugs are processed; (v) patents, medicines, drugs enzymes, fermentations and genetic products, vitamin and vitamins products tonic, hormones and hormone products; (vi) medical products all raw materials for and all derivatives, extracts, mixtures, powders, granules, compounds, syrups, by-products; (vii) bulk packaging, capsules, tablets, injectibles, vials, ointments, sprays, other dosage forms and packaging of, the aforesaid items; (viii) dyes, paints, varnishes, colours, industrial, natural and chemical fertilisers of every description; (ix) acid tanning materials; (x) over the counter medicines / products; and (xi) and ingredients of every kind and other articles, compounds, ingredients and products or other things of any description whether analogous to the foregoing or not;
 - (b) to buy, sell, let, hire, repair, alter or otherwise deal in all kinds of machinery, plant and apparatus, utensils, articles, component parts, accessories and fittings and substances and things commonly used or capable of being used in connection with the materials and things to be manufactured, refined, dealt with, imported, distributed or sold by the company;

- (c) to carry on any other trade or business whatsoever which can, in the opinion of the company, be advantageously and conveniently carried on by the company by way of extension of or in connection with the consumer healthcare business or is calculated directly or indirectly to develop any branch of the company's business or to increase the value of or turn to account any of the company's assets, property or rights;
- (d) to undertake all types of selling and purchasing activities directly or indirectly and to act as exporters, importers, general order suppliers, manufacturers, representative, purchasing and selling agents, advisors, accredited agents, factors, brokers, correspondents, stockiest, distributors, agents and representatives of consumer healthcare products and to act as service agent for providing services, after sales and other technical services, to carry on business as marketing, technical consultants both in internal and external market, to develop network;
- (e) to carry on the business of consultants and / or advisors in connection with manufacture, use, purchase and sales of all kinds of pharmaceutical products that may appear conducive to the business of the company;
- (f) to procure the incorporation, registration or other recognition of the company in any country, state or place and to establish and regulate agencies for the purposes of the company's business;
- (g) to enter into any negotiation, contract or arrangement with any government or authority, supreme, municipal, local or otherwise that may seem conducive to the company's objects and to obtain from any such government or authority any rights, privileges and concessions which the company may think it desirable to obtain and to carry out, exercise, perform and comply with any such contract, arrangement, rights, privileges and concession;
- (h) to enter into any negotiation, collaboration, contract or agreement with firms, companies or individuals, whether foreign or Indian and finalise agreements for the import, manufacture, distribution or such other activity which may promote may appear conducive to the business of the company;
- (i) to apply for, purchase or otherwise acquire, protect or renew, in any part of the world, any interest in any recipes, patents, trademarks, licences, concessions or the like conferring exclusive or non-exclusive or limited right to use the same or any secret or information as to any invention in relation to the processing, manufacture, treatment, storage, application and use of drugs, medicines or any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company and to use, exercise, develop, or grant license in respect of, or otherwise turn to account the property, rights, or information so acquired, and to expend moneys in experimenting upon testing or improving any such patents, inventions, or rights, subject to the law in force;
- (j) to apply for and acquire permits, licenses and quota rights from the Government of India or from state governments or from foreign governments to import and export plant, equipment, spare parts thereof, machinery, raw materials, intermediates, finished products and processing materials connected with the manufacturing and selling of the products of the company;

- (k) to establish, maintain or conduct research laboratories and experimental workshops for scientific and technical research and experiments and to undertake scientific and technical researches, experiments, and tests of all kinds and to promote studies and researches, both scientific and technical, investigations and inventions by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations of any kind that may be considered likely to assist any of the business which the company is authorized;
- (l) to acquire, buy, purchase, lease or otherwise acquire, hold, sell, exchange, grant, demolish, dispose of and deal in lands, buildings, offices, shops, warehouses, laboratories, garages and premises of every description, mortgages, charges, grants, concessions, leases, contracts, policies, book debts and claims and any interest in any moveable or immovable property and any claims against such property;
- (m) to construct, maintain, improve, develop, work, manage, carry out or control, any offices, buildings, warehouses, factories, laboratories, garages, shops, stores and erections of every description and any roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, water courses, wharves and other works and conveniences which the company may think directly or indirectly conducive to the objects or interests of the company and to contribute or otherwise assist or take part in the construction, improvement, maintenance, working, management, or development or carrying out or control thereof;
- (n) to draw, make, discharge, endorse, accept, discount, execute and issue bills of lading, rates, receipts, railway receipts, certificate and documents of title, government and other securities, other negotiable or transferable instruments or securities;
- (o) to open current, fixed, overdraft or other accounts with any bank or financial institution and to pay into and to draw moneys from such accounts;
- (p) to invest and deal with the moneys of the company not immediately required upon such securities and in such manner as may from time to time be determined and particularly by way of advance or deposit with or without interest to or with any bank, corporation, person or persons and to make, draw, accept, endorse, negotiate, buy, sell, discount and otherwise deal in bills, notes, warrants, coupons and other negotiable and transferable instruments, securities or documents, whether of any government or any public body, corporation or private persons or person;
- (q) subject to applicable laws, to lend money either with or without security and generally to such persons on such terms as may seem expedient and in particular to customers and others having dealings with the company and to guarantee the performance of any contracts by any such persons; provided that the company is not to carry on the business of banking as defined by the Banking Companies Act, 1949;

- (r) subject to applicable laws, to borrow or raise money or to receive money on deposit and interest, or otherwise and from banks, financial corporations, term lending institutions, persons and corporations in India or outside and in such manner as the company may think fit for the purpose of financing the business of the company and in particular by the issue or sale on any bonds, mortgage of debentures or debenture-stock, perpetual or otherwise, including debentures or debentures stock, convertible into shares of this or any other company, or perpetual annuities; and in securities of any such money so borrowed, raised or received, to mortgage or charge the whole or any part of the property, assignment or otherwise, and to transfer of sale and other powers as may deem expedient, and to purchase, redeem or pay off any such securities;
- (s) to purchase or otherwise acquire and undertake the whole or any part of the business, property, rights and liabilities, of any person, firm, company or body corporate carrying on any business which the company is authorised to carry on, or possessed of property or rights suitable for any of the purposes of the company and to purchase acquire sell and deal in property, shares, debentures of any such person, firm, company or body corporate and to conduct, make or carry into effect any arrangements in regard to the winding up of the business of any such person, firm or company;
- (t) to enter into partnership or into any arrangement for sharing profits, amalgamation, union of interests, co-operation, joint adventure, reciprocal concessions or otherwise with any person or company carrying on, or engaged in or about to carry on or engage in, any business or transaction which the company is authorised to carry on or engage in or to enter into and conduct any business agreement, undertaking or transaction with any government, person, firm or corporation which may be advisable or seem capable of being carried on or conducted so as directly or indirectly to benefit the company and to lend money, to guarantee the contracts of or otherwise assist any such person, firm or company and to place, take or otherwise acquire and hold shares or securities of any such person, firm or company, and to sell, hold, re-issue, with or without guarantee or otherwise deal with the same;
- (u) to obtain technical information, knowhow and expert advice or financial accommodation for the production, manufacture or marketing of any products herein before mentioned and to pay to or to the order of such firm, company, body corporate, government authority or person any fee, royalty, shares, bonus, remuneration and other wise recompense them in any other manner for the services rendered by them;
- (v) to promote and form and to be interested in and take hold and dispose of shares in other companies for all or any of the objects mentioned in the memorandum and to subsidise or otherwise assist any such company;
- (w) to assist any company financially or otherwise by issuing or subscribing for or guaranteeing the subscription and issue of capital, shares or other securities and to take, hold and deal in shares and securities of any company, notwithstanding there may be any liabilities thereon;
- (x) to pay for any properties, rights or privileges acquired by the company either in shares of the company or partly in shares and partly in cash or otherwise and to give shares of the company in exchange for shares of any other company;

- (y) to sell, lease, mortgage, surrender, abandon and in any other manner deal with or dispose of the undertaking or property of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures and other securities of any other company having objects altogether or in part similar to those of the company;
- (z) to sell, lease, mortgage, surrender, abandon and in any other manner deal with or dispose of the undertaking or property of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures and other securities of any other company having objects altogether or in part similar to those of the company;
- (aa) to sell the undertaking and all or any of the property of the company for cash or for stock, shares, or securities of any other company or for other considerations;
- (bb) to subscribe to or otherwise aid benevolent, charitable, national or other institutions or objects of a public character or which have any moral or other claim to support or aid by the company by reason of the locality of its operations or otherwise;
- (cc) to undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspaper, etc., or for organizing lectures, conferences or seminars, workshops, training program etc., likely to advance the aforesaid objects or for giving merit awards, scholarships, loans or any other assistance to institutes, deserving students or other scholars or consultants or person to enable them to pursue their studies or pursuits or research and for establishing, conducting or assisting any institution, fund, trust having any one of the aforesaid objects as one of its objects;
- (dd) to create any depreciation fund, reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining the business or any of the property of the Company, or for any other purposes conducive to the interests of the company;
- (ee) to provide for the welfare of any employee or employees of the company and the families or the dependents or connections of such persons by grants of money, pensions, allowances, bonus or other payment; or by creating and from time to time subscribing to provident institutions or associations, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the company shall think fit and otherwise to assist or guarantee money to any charitable or benevolent institution or objects which shall have any moral or other claim to support or aid by the company either by reason of locality of operation or of utility to the company or its employees;
- (ff) subject to applicable law, to place to reserve or to distribute as dividend or bonus among the members, or otherwise to apply as the company may from time to time think fit, any moneys received by way of premium on shares issued at a premium by the company and moneys received in respect of dividends accrued on forfeited shares or from unclaimed dividends;
- (gg) distribute any of the property of the company amongst the members in specie or kind;

- (hh) to adopt such means of making known the products of the company as may seem expedient and in particular by advertising in the press, by circulars, posters, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards, and donations (including donations to any fund for charitable or public purposes);
- (ii) to undertake and execute any trusts the undertaking whereof may seem desirable either gratuitously or otherwise and to transact and carry on all kinds of agency business;
- (jj) to initiate or defend, including by way of arbitration, disputes present or future between the company and any other company, firm or individual and to make representations to the relevant authority to an arbitrator in India or abroad and either in accordance with Indian or any other foreign system of law; and
- (kk) to do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in any part of India or elsewhere and as principals, agents, contractors, trustees or otherwise.

1.3 **Objects of this Scheme**

1.3.1 The proposed demerger would be in the best interests of the Demerged Company, the Resulting Company and their respective shareholders and creditors as the proposed demerger will yield advantages of increased business synergies and unlocking of shareholder value, in the manner set out below:

- (a) separation of the pharmaceutical and consumer healthcare businesses of the Company will allow the Demerged Company and the Resulting Company to have independent and focused management as well as independently pursue different opportunities and strategies for the growth of each respective businesses aligned to specific market dynamics;
- (b) the proposed demerger under the Scheme will enable a different operating model for the consumer healthcare business under the Resulting Company specific and fit for purpose for a fast-moving consumer healthcare company, which would lead to a greater ability to operate independently and positively shape the consumer healthcare environment; the requirements of the businesses of the Demerging Company and the Resulting Company, including in terms of operations, nature of risks, competitive advantages, strategies and regulatory compliances are different and the demerger will allow for enhancement of the business models of both the Demerging Company and the Resulting Company;
- (c) the shareholders, investor, analyst community and other stakeholders will have greater understanding and visibility of both the pharmaceutical and consumer healthcare businesses;
- (d) the proposed demerger will not only facilitate pursuit of scale and independent growth plans but also more focused management and stronger leverage of specific global resources within the group and flexibility in terms of providing liquidity for shareholders (following the listing of the shares of the Resulting Company).

- (e) the proposed demerger will de-risk both the businesses from each other and allow potential investors and other stakeholders the option of investing in both businesses; and
- (f) the proposed demerger will unlock value for the shareholders of the Demerged Company.

1.4 Definitions

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 1.4.1 “**Appointed Date**” is 1 June 2023;
- 1.4.2 “**Board of Directors**” in relation to the Demerged Company and the Resulting Company, means their respective board of directors and, unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;
- 1.4.3 “**BSE**” means BSE Limited;
- 1.4.4 “**CIN**” means Company Identification Number;
- 1.4.5 “**Companies Act**” means the Companies Act, 2013 as notified, clarified and/or modified by rules and notifications issued by the Ministry of Corporate Affairs, from time to time;
- 1.4.6 “**Demerged Company**” means Sanofi India Limited is a company incorporated under the Companies Act, 1956 bearing corporate identification number L24239MH1956PLC009794 and having its registered office at Sanofi House, CTS No.117-B, L&T Business Park Saki Vihar Road, Powai, Mumbai, Maharashtra, India – 400072.
- 1.4.7 “**Demerger Share Entitlement Ratio**” has the meaning ascribed to such term in Clause 3.3.3;
- 1.4.8 “**Demerged Transferred Employee**” means (a) the employees of the Demerged Undertaking; and (b) certain other employees which will be assigned to the operations of the Demerged Undertaking, pursuant to the proposed demerger ;
- 1.4.9 “**Demerged Undertaking**” means, subject to any assets or liabilities transferred in the ordinary course of business (including those appearing in the reference balance sheet set out at **Schedule 1**), the consumer healthcare business undertaking of the Demerged Company. Without prejudice to the generality of the foregoing, the Demerged Undertaking shall comprise of:
 - (i) all the licences, approvals, permits and marketing authorisations and any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on the Demerged Undertaking or in connection therewith and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or marketing authorisations, including pending applications), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force, benefit of any exemptions, privileges and benefits of all contracts, agreements and all other rights including lease rights, memberships, powers and facilities of every kind and description whatsoever pertaining to the Demerged Undertaking of the Demerged Company;

- (ii) any and all assets and property relating to or arising from the activities and operations of the Demerged Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including but not limited to inventory (including all raw material inventory, active pharmaceutical ingredients (APIs), work-in-process inventory, goods in transit and finished products inventory), office buildings, plant and machinery, capital work-in-progress, furniture, fixtures, office equipment, computer software and licenses, appliances, accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (other than those taken for the Demerged Company as a whole or without reference to specific assets relating to the Demerged Undertaking), authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under applicable law or in terms of certain schemes or policies of the Government of India or any State Government, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company with respect to the Demerged Undertaking and all other interests in connection with or relating to the Demerged Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Demerged Undertaking, plant, machinery, equipment, whether leased or otherwise;
- (iii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Demerged Undertaking, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Demerged Undertaking, bank overdrafts (if any), working capital loans and liabilities, amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Demerged Undertaking;
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by the Demerged Company directly or indirectly in connection with the Demerged Undertaking;
- (v) liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Demerged Undertaking, if any, allocated to the Demerged Undertaking, in the same proportion which the value of the assets transferred under the Scheme bear to the total value of the assets of Demerged Company immediately before giving effect to the Scheme;
- (vi) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) pertaining to the Demerged Undertaking including the investments, all cash balances with the other banks, money at call and short notice, loans, advances,

contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Demerged Undertaking or to which the Demerged Undertaking may be entitled;

- (vii) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Demerged Undertaking;
- (viii) all ongoing clinical studies and other development projects exclusively or primarily relating to the Demerged Undertaking;
- (ix) all records relating to the Demerged Undertaking on and from the Effective Date, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and development of the Demerged Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;
- (x) the Demerged Transferred Employees, including all staff, workmen and employees of Demerged Company employed in connection with or proposed to be reassigned to a position in relation to the Demerged Undertaking, including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, employee welfare benefits and applicable collective bargaining agreements associated with such Demerged Transferred Employees, as on the Effective Date of the Scheme and including those employed at its offices and branches;
- (xi) all insurance policies, whether obtained in relation to the assets, directors, employees or operations of the Demerged Undertaking, by the Demerged Company and updated to include the Resulting Entity;
- (xii) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Undertaking of the Demerged Company; and
- (xiii) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the Demerged Undertaking;

it being clarified that the Demerged Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Residual Undertaking. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Demerged Undertaking or the Residual Undertaking shall be

resolved by mutual agreement between the Board of Directors of each of the Demerged Company and the Resulting Company;

- 1.4.10 “**Effective Date**” under the Scheme shall be in accordance with Clause 5.1 of the Scheme. References in this Scheme to “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme becomes effective” shall mean the Effective Date;
- 1.4.11 “**IT Act**” means the Income Tax Act, 1961 the rules made thereunder and will include any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;
- 1.4.12 “**NCLT**” means the Regional Bench of the National Company Law Tribunal at Mumbai, Maharashtra having jurisdiction over such companies for the purposes of this Scheme;
- 1.4.13 “**NSE**” means National Stock Exchange of India Limited;
- 1.4.14 “**Record Date**” means, in relation to the demerger of the Demerged Undertaking, the date to be fixed by the Board of Directors of the Demerged Company and the Resulting Company, for the purpose of issue of shares of the Resulting Company to the shareholders of the Demerged Company pursuant to this Scheme;
- 1.4.15 “**Registrar of Companies**” means the Registrar of Companies, Mumbai at Maharashtra;
- 1.4.16 “**Residual Undertaking**” means all the undertakings, businesses, activities and operations of the Demerged Company including without limitation the general medicine business, the medical services business and the hospital business, the factory situated at L-121, Verna Industrial Estate, Verna Salcete Goa, Salcete, Goa – 403722 (including those set out in the reference balance sheet set out at **Schedule 2**) other than the Demerged Undertaking;
- 1.4.17 “**Resulting Company**” means Sanofi Consumer Healthcare India Limited, a company incorporated under the Companies Act bearing corporate identification number U21002MH2023PLC402652, having its registered office at Sanofi House, CTS No.117-B, L&T Business Park Saki Vihar Road, Powai, Mumbai, Maharashtra, India – 400072;
- 1.4.18 “**Scheme**” means this Scheme of Arrangement for demerger pursuant to Chapter XV and other relevant provisions of the Companies Act, with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities including without limitation the Securities and Exchange Board of India, as may be required under the Companies Act and under all other applicable laws;
- 1.4.19 “**SEBI**” means the Securities Exchange Board of India;
- 1.4.20 “**SEBI Circular**” means circular no. SEBI/H0/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;
- 1.4.21 “**Stock Exchanges**” means BSE Limited and National Stock Exchange of India Limited; and
- 1.4.22 “**Tax**” 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 Demerged Company and Resulting Company and all penalties, charges, costs and interest relating thereto.

1.5 Interpretation

- 1.5.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, the Banking Regulation Act, 1949, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.
- 1.5.2 In this Scheme, unless the context otherwise requires:
- (i) references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
 - (ii) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
 - (iii) references to one gender includes all genders;
 - (iv) words in the singular shall include the plural and vice versa; and
 - (v) percentages have been rounded off up to two decimal places.
- 1.5.3 Any references to sections of the Companies Act, 1956 shall be deemed to include references to the equivalent provisions of the Companies Act if notified.
- 1.6 In the present case, the Resulting Company is a wholly owned subsidiary of the Demerged Company and both the Companies are part of the Sanofi Group. In addition, the Demerged Undertaking is not jointly controlled by any entity which is not part of the Sanofi group. In view of the above, notification of the Scheme to the Competition Commission of India is exempted under Item 8 of Schedule 1 of the Competition Commission (Procedure in regard to the Transaction of Business relating to Combination) Regulations, 2011, as the demerger proposed in the Scheme involves, an acquisition of shares or voting right or assets, by one person or enterprise, of another person or enterprise within the same group.

Part II: Capital Structure

2. Capital Structure

2.1 The capital structure of the Demerged Company as on 10 May 2023 is as under:

Share Capital	Amount in Rs.
Authorised Capital	
23,500,000 equity shares of Rs. 10 each.	235,000,000.
Total	235,000,000.
Issued, Subscribed and Paid-up Share Capital *	
23,030,622 equity shares of Rs. 10 each.	230,306,220.
Total	230,306,220.

2.2 The capital structure of Resulting Company as on 10 May 2023 is as under:

Share Capital	Amount in Rs.
Authorised Capital	
2,35,00,000 equity shares of Rs. 10 each	23,50,00,000
Total	23,50,00,000
Issued, Subscribed and Paid-up Share Capital	
20,00,000 equity shares of Rs. 10 each	2,00,00,000
Total	2,00,00,000

2.3 The Resulting Company is a wholly owned subsidiary of the Demerged Company and 6 shares are held by the nominees of the Demerged Company in order to satisfy the requirement of the Companies Act, as set out in the table below.

Nominee	Share Capital held by the nominees of the Demerged Company	Amount in Rs.
Mr. Surendra Agarwal as nominee of Sanofi India Limited	1	10

Nominee	Share Capital held by the nominees of the Demerged Company	Amount in Rs.
Ms. Vinita Patil as nominee of Sanofi India Limited	1	10
Mr. Somak Ghosh as nominee of Sanofi India Limited	1	10
Ms. Jagruti Kapadane as nominee of Sanofi India Limited	1	10
Mr. Rupendra Sachdev as nominee of Sanofi India Limited	1	10
Mr. Chandukumar Parmar as nominee of Sanofi India Limited.	1	10
	Total	60

Part III: Demerger of the Demerged Undertaking

3. DEMERGER OF THE DEMERGED UNDERTAKING

3.1 Transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company

3.1.1 Upon this Scheme becoming effective, all the assets and liabilities and the entire business of the Demerged Undertaking of the Demerged Company shall stand transferred to and vest in the Resulting Company, as a going concern, without any further act or deed and shall be demerged from the Demerged Company together with all its properties, assets, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Chapter XV of the Companies Act and all applicable provisions of law if any, in accordance with the provisions contained herein and related provisions contained in various other taxation laws in force in India on the Effective Date including without limitation in relation to goods and services tax, customs duty, excise duty, CENVAT credit or value added tax. In addition, for the avoidance of doubt, the Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

3.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective:

- (i) All assets of the Demerged Company pertaining to the Demerged Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, or by vesting and recordal including plant, machinery and equipments, pursuant to this Scheme, shall stand transferred to and vested in in and/or be deemed to be transferred to and vested in the Resulting Company wherever located and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) All other movable properties of the Demerged Company pertaining to the Demerged Undertaking, including tax refunds with the government as applicable, investments in shares and any other securities, sundry debtors, future receivables, 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 government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Resulting Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by the Demerged Company and pertaining to the Demerged Undertaking and all the rights, title and interests of the Demerged Company pertaining to the Demerged Undertaking in any leasehold properties shall, pursuant to Section 232 of the Companies Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resulting Company and/or be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company on the Effective Date pursuant to the provisions of Section 232 of the Companies Act.
- (iii) All immovable properties of the Demerged Company and pertaining to the Demerged Undertaking, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Demerged Company and

pertaining to the Demerged Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Resulting Company, without any further act or deed done or being required to be done by the Demerged Company and/or the Resulting Company. The Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes, if applicable and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties, if any, shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

- (iv) All the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Demerged Company for the purposes of the Demerged Undertaking or any other person acting on behalf of or for the benefit of the Demerged Company pertaining to the Demerged Undertaking for securing the obligations of the persons to whom the Demerged Company has advanced loans and granted other funded and non-funded financial assistance, pertaining to the Demerged Undertaking by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 232 of the Companies Act and without any further act, instrument or deed stand vested in and be deemed to be in favour of the Resulting Company and the benefit of such security shall be available to the Resulting Company as if such security was ab initio created in favour of the Resulting Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Demerged Company pertaining to the Demerged Undertaking shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof.
- (v) All debts, liabilities, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations of the Demerged Undertaking contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Demerged Company pertaining to the Demerged Undertaking shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- (vi) All contracts, deeds, agreements, schemes, arrangements and other instruments permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Demerged Company pertaining to the Demerged Undertaking and in relation thereto and those relating to tenancies, privileges, powers, pledge, facilities of every kind and description of whatsoever nature in relation to the Demerged Company pertaining to the Demerged Undertaking, 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 be and remain in full force and effect on, against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company and pertaining to the Demerged Undertaking, the Resulting Company had

been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Demerged Company (and not by any of its successors), shall be fulfilled by the Resulting Company as if it is the duly constituted attorney of the Demerged Company.

- (vii) Any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to the Demerged Undertaking and pertaining to the Demerged Undertaking, whether by or against the Demerged Company, whether pending on the Effective Date or which may be instituted any time in the future and in each case relating to the Demerged Undertaking shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Demerged Undertaking or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company after the Effective Date. The Resulting Company shall, after the Effective Date, be replaced as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Demerged Company, as if this Scheme had not been implemented.
- (viii) All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Demerged Company and pertaining to the Demerged Undertaking after the Effective Date, shall be accepted by the Demerged Company and promptly transferred to the accounts of the Resulting Company.
- (ix) All the property, assets and liabilities of the Demerged Undertaking shall be transferred by the Demerged Company to the Resulting Company at the values appearing in the books of account of the Demerged Company at the close of business of the day immediately preceding the Effective Date.
- (x) All employees of Demerged Company pertaining to the Demerged Undertaking who are on its payrolls shall become the employees of the Resulting Company without any break or interruption in their services on no less favourable terms (including employee benefits such as provident fund, leave encashment and any other retiral benefits) as applicable to such employees with the Demerged Company and in accordance with applicable law. The Resulting Company further agrees that for the purpose of payment of any retirement benefit/compensation, incentive contractual and statutory benefit, incentive plans, terminal benefits, such immediate uninterrupted past services with Demerged Company, shall also be taken into account and accordingly, shall be reckoned from the date of their appointment with the Demerged Company. In order to give effect to this provision and to carry out or perform all formalities or compliances, the Demerged Company and or the Resulting Company, as the case may be, shall do all such acts and deeds as may be necessary, or execute such contracts, agreements, deeds or other instruments or obtain necessary approvals, permits, rights, entitlements.
- (xi) All registrations, goodwill and licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trade-marks of the Demerged Company appertaining to the Demerged Undertaking shall be transferred to the Resulting Company;
- (xii) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self assessment tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, stamp duty, goods and services tax etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to the Demerged Company relating to the Demerged

Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the Demerged Undertaking, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.

- (xiii) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description whatsoever held by the Demerged Company in relation to the Demerged Undertaking, or to the benefit of which the Demerged Undertaking may be eligible/entitled and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Undertaking, the Resulting Company had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- (xiv) Benefits of any and all corporate approvals as may have already been taken by the Demerged Company in relation to the Demerged Undertaking, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, 188 etc., of the Companies Act, read with the rules and regulations made thereunder, shall stand transferred to the Resulting Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resulting Company.
- (xv) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Companies Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

It is clarified that if any assets, estate, claim, right, title, interest in or authorities relating to such assets or any contracts, deeds, bonds, agreements, schemes, 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 and pertains to the Demerged Undertaking and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments in trust for the benefit of the Resulting Company to which the Demerged Undertaking is being transferred in terms of the provisions of this Scheme in so far as permissible to do so until such as time as the transfer is effected.

- 3.1.3 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Demerged Undertaking to the Resulting Company by virtue of Part III of the Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including

deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Demerged Company has been a party, including any filings with the regulatory authorities (or any charge related filing) in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Undertaking. The Resulting Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of Part III of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Undertaking to be carried out or performed.

3.1.4 The Demerged Company and/or the Resulting Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Demerged Company in relation to the Demerged Undertaking. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective in accordance with the provisions of the Companies Act and with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

3.2 Conduct of Business:

3.2.1. The Demerged Company with effect from the date of filing of this Scheme and up to and including the Effective Date. Save as may be governed by any arrangement entered into between the Demerged Company and the Resulting Company, the business of the Demerged Undertaking shall be carried on in ordinary course and in trust by the Demerged Company for and behalf of the Resulting Company until the Effective Date:

- (i) shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not undertake financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or committee, either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber its properties or assets or any part thereof, save and except in each case in the following circumstances:
 - (a) if the same is in its ordinary course of business; or
 - (b) if the same is expressly permitted by this Scheme; and
 - (c) if prior written consent of the Board of Directors of the Demerged Company has been obtained; and
- (ii) except by mutual consent of the Boards of Directors of the Demerged Company and the Resulting Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by the Demerged Company and/or the Resulting Company pertaining to the Demerged Undertaking as on the date of filing of this Scheme, or except as contemplated in this Scheme, pending sanction of this Scheme, the Demerged Company and/or the Resulting Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus

shares, convertible debentures or otherwise), decrease, reduction, reclassification, subdivision or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies), provided that the Demerged Company and the Resulting Company shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to issue employee stock options under any employee stock purchase scheme with respect to its respective employees.

- 3.2.2 Any claims (including but not limited to trade claims by customers or distributors), liabilities or demands (including in relation to income tax, service tax, tax deducted at source, provident fund and any other tax or statutory obligations) arising out of the activities or operations of the Demerged Undertaking after the Effective Date shall be deemed to be part of the Demerged Undertaking and shall consequently be entirely borne by the Resulting Company. In the event that such liability is incurred by or such claim or demand is made upon the Demerged Company pertaining to the Demerged Undertaking (or any successor thereof), then the Resulting Company shall indemnify the Demerged Company (or any successor thereof) for any payments made in relation to the same.
- 3.2.3 The Resulting Company undertakes to engage, upon the Scheme becoming effective, all such employees of the Demerged Company pertaining to the Demerged Undertaking and who are in the employment of the Demerged Company as on the Effective Date, on terms and conditions not less favorable than those on which they are engaged by the Demerged Company, with continuity of service and without any interruption of service as a result of this transfer.
- 3.2.4 The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company with employees of the Demerged Company in relation to the Demerged Undertaking. The Resulting Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/employees by the Demerged Company in relation to or in connection with the Demerged Undertaking. The Resulting Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 3.2.5 In so far as the existing provident fund, gratuity fund and superannuation fund and/or schemes, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of Demerged Company pertaining to the Demerged Undertaking, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company in relation to the Demerged Undertaking, in accordance with the provisions of applicable laws or otherwise. In addition such funds, gratuity or other schemes created or maintained by the Demerged Company for the employees of the Demerged Undertaking, shall, subject to the necessary approvals and permissions, be transferred to the relevant funds and/or schemes as determined by the Resulting Company. If the Resulting Company, as on the Effective Date, does not have such funds or schemes to enable the transfer of contributions made by the Demerged Company with respect to the employees of the Demerged Undertaking, the Resulting Company shall establish such funds and/or schemes to enable the transfer of the contributions made by the Demerged Company in relation to the employees of the Demerged Undertaking. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Demerged Undertaking for such purpose shall be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.

- 3.2.6 It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking in relation to such schemes or funds shall become those of the Resulting Company. Upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Undertaking for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.
- 3.2.7 Upon this Scheme becoming effective and subject to the receipt of requisite consents of the secured creditors, bond holders and debenture holders in favour of whom the Demerged Company has created security, the security provided by the Demerged Company pertaining to such financial indebtedness, bonds and debentures pertaining to the Demerged Undertaking shall stand cancelled and shall have no effect. For this purpose, no further consent from the existing secured creditors/other security holders shall be required and sanction of this Scheme shall be considered as a specific consent towards the same.
- 3.2.8 Upon the Scheme becoming effective, the Resulting Company shall carry on and shall be authorised to carry on the business of the Demerged Undertaking.
- 3.2.9 For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Companies Act in respect of this Scheme by the NCLT, the Resulting Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the Demerged Undertaking, in accordance with the provisions of Chapter XV of the Companies Act. The Resulting Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, deeds etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the NCLT.
- 3.2.10 Upon the Scheme becoming effective, the Resulting Company, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the Demerged Company pertaining to the Demerged Undertaking with effect from the Effective Date, in order to give effect to the foregoing provisions.
- 3.2.11 Upon the Scheme becoming effective, all profits accruing to the Demerged Undertaking and all taxes thereof or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes be treated as the profits, taxes or losses as the case may be of the Resulting Company.
- 3.2.12 Upon the coming into effect of this Scheme, the resolutions, if any, of the Demerged Company pertaining 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 of the Resulting Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in the Resulting Company.

3.3 **Consideration**

- 3.3.1 Upon this Scheme coming into effect and upon vesting of the Demerged Undertaking in the Resulting Company, the Demerged Company shall provide to the Resulting Company, the list of equity shareholders of the Demerged Company as on the Record Date, who are entitled to receive fully paid-up equity shares, in the Resulting Company in terms of this Scheme.
- 3.3.2 Upon this Scheme coming into effect, the shareholders of the Demerged Company as of the Record Date shall be entitled to receive equity shares of the Resulting Company as detailed in this Clause 3.5 of Part III of this Scheme.

- 3.3.3 The Boards of Directors of the Demerged Company and the Resulting Company have determined to issue equity shares, on a fully diluted basis, to the shareholders of the Demerged Company, based on price arrived at per the share entitlement ratio report dated 10 May 2023, prepared by KPMG Valuation Services LLP. Upon this Scheme coming into effect the Resulting Company shall, without any further act or deed, issue and allot to the shareholders of the Demerged Company whose name is recorded in the register of members of the Demerged Company on the Record Date, equity shares of the Resulting Company in the ratio of 1:1 i.e., 1 fully paid-up equity share having a face value of Rs. 10 each of the Resulting Company for every 1 fully paid-up equity share having a face value of Rs. 10 each of the Demerged Company, each equity share being fully paid-up (the “**Demerger Share Entitlement Ratio**”).
- 3.3.4 The Demerged Company had engaged: (a) KPMG Valuation Services LLP, as the chartered accountants to provide a share entitlement ratio report; and (b) BofA Securities India Limited to provide a fairness opinion. In connection with such engagement, KPMG Valuation Services LLP has issued a share entitlement ratio report dated 10 May 2023 and BofA Securities India Limited has issued a fairness opinion dated 10 May 2023.

3.4 **Issuance mechanics and other provisions**

- 3.4.1 The equity shares to be issued and allotted by the Resulting Company in terms of Clause 3.3 of Part III of this Scheme shall be subject to the provisions of the memorandum of association and the articles of association of the Resulting Company and shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company.
- 3.4.2 All certificates for the new shares held in physical form shall be sent by the Resulting Company to the shareholders of Demerged Company as on the Record Date at their respective registered addresses as appearing in the register of members of Demerged Company (or in the case of joint holders to the address of such joint holder whose name stands first in such register of members in respect of such joint holding) and the Resulting Company shall not be responsible for any loss in transmission.
- 3.4.3 All equity shareholders of the Demerged Company holding equity shares in the Demerged Company in dematerialised form, as on the Record Date, shall be issued fresh equity shares in the Resulting Company in dematerialised form. All equity shareholders of the Demerged Company holding equity shares in the Demerged Company in physical form, as on the Record Date, shall be issued fresh equity shares in the Resulting Company in physical form.
- 3.4.4 For the purpose of the allotment of equity shares of the Resulting Company pursuant to Clause 3.3 above, any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Companies Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
- 3.4.5 On the approval of the Scheme by the members of the Resulting Company pursuant to Section 232 of the Companies Act, it shall be deemed that the members have accorded their consent under Section 62 (1A) of the Companies Act, or any other applicable provision of the Companies Act as may be applicable. The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities, including the Securities and Exchange Board of India and the NSE and the BSE, for the issue and allotment by the Resulting Company of equity shares of Resulting Company to the members of Demerged Company pursuant to the Scheme.
- 3.4.6 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors, or any committee thereof, of the Demerged Company shall be empowered in appropriate cases, even subsequent

to the Record Date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Demerged Company or Resulting Company, as the case may be, in respect of such shares.

- 3.4.7 Unless otherwise determined by the Board of Directors, or any committee thereof, of the Demerged Company and the Board of Directors, or any committee thereof, of the Resulting Company, allotment of shares in terms of this Scheme shall be completed within forty five (45) days from the Effective Date.

3.5 Listing of equity shares of the Resulting Company

- 3.5.1 All equity shares of the Resulting Company issued to trading pursuant to clause 3.3 and in terms of this Scheme and SEBI Circular or otherwise shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on the NSE and the BSE and on such other recognised stock exchange(s) in India, and/or admitted to trading if any, as may be decided by the Board of Directors of the Resulting Company. The Resulting Company shall apply to all the Stock Exchanges (where the shares of Demerged Company are listed) and SEBI for listing and admission of all the equity shares of the Resulting Company issued pursuant to Clause 3.3. The Resulting Company shall enter into such arrangements, complete such formalities and give undertakings, if any to the Stock Exchanges as may be necessary in accordance with the applicable laws for listing of equity shares of Resulting Company.

- 3.5.2 Subject to any dispensation granted by the Securities and Exchange Board of India and the Stock Exchanges, the shares allotted pursuant to Clause 3.3 of the Scheme shall remain frozen in the depositories system until permission for listing/trading is granted by the Stock Exchanges.

- 3.5.3 Until such time as the equity shares of the Resulting Company are listed on the Stock Exchanges, except as provided in the Scheme, there shall be no change in the shareholding pattern or control of or pre-arrangement capital structure of the Resulting Company.

3.6 Cancellation of equity shares of the Resulting Company held by the Demerged Company

- 3.6.1 Notwithstanding anything to the contrary contained in this Scheme, upon this Scheme becoming effective, the equity shares of the Resulting Company held by the Demerged Company will stand cancelled on or after the Effective Date by operation of law, without payment of any consideration or any further act or deed by either of the Demerged Company and the Resulting Company. Accordingly, the changes to the equity share capital of the Resulting Company will automatically be effected as an integral part of this Scheme, without any further act or deed on the part of the Resulting Company and without having to separately follow the any provisions of the Companies Act. The consent of the stakeholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting such changes to its equity share capital, and no further resolution or action under the provisions of the Companies Act would be required to be separately passed or taken. The order of the NCLT sanctioning this Scheme is deemed to also be the order passed by the NCLT under Section 66 and other relevant provisions of the Companies Act for the purpose of confirming such changes to the equity share capital of the Resulting Company. It is clarified that with regard to the cancellation of equity share capital as a consequence of the demerger of the Demerged Undertaking of the Demerged Company into and with the Resulting Company, pursuant to the explanation to Section 230(12) of the Companies Act, the provisions of Section 66 of the Companies Act shall not apply to any consequential cancellation of share capital effected in pursuance of this Scheme.

3.7 Accounting Treatment

3.7.1 **Accounting treatment in the books of Demerged Company**

- (i) Notwithstanding anything to the contrary contained herein, the Demerged Company shall give effect to the Demerger in its books of account in accordance with applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as notified under Section 133 of the Companies Act, 2013, as may be amended from time to time and on the date as determined under Ind AS. The accounting in the books of accounts of the demerged company is as follows:
 - (a) The Demerged Company shall derecognise from its books of accounts, the carrying amount of assets and liabilities pertaining to the Demerged Undertaking transferred to and vested in the Resulting Company;
 - (b) The excess of the carrying amount of assets transferred over the carrying amount of liabilities transferred shall be debited to reserve within equity.
- (ii) To further clarify, for determination of the date as referred in (i) above, the guidance under Ind AS will take precedence over the effective date per Clause 5.1 for accounting purposes in accordance with the Ind AS.
- (iii) The Board of Directors of the Demerged Company is authorised to account for any of the matters not dealt with in clause herein above in accordance with the Indian accounting standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

3.7.2 **Accounting treatment in the books of Resulting Company**

- (i) Notwithstanding anything to the contrary contained herein, the Resulting Company shall account for the acquisition of the Demerged undertaking in its books of accounts by applying the principles prescribed in Indian Accounting Standard 103, Business Combinations, Appendix C - Business combinations of entities under common control and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as notified under section 133 of the Companies Act, 2013 and on the date determined in accordance with Ind AS. The Resulting Company shall account for acquisition of demerged undertaking as follows:
- (ii) The Resulting Company shall recognise the assets and liabilities of the Demerged Undertaking vested in it pursuant to this Scheme, at their respective carrying amounts as appearing in the books of the Demerged Company.
- (iii) The difference, if any, between the carrying amount of the net assets of the Demerged Undertaking acquired and the consideration issued to the shareholders of the Demerged Company shall be adjusted to capital reserve.
- (iv) The financial statements of the Resulting Company shall be restated in accordance with the requirements of Appendix C of Ind AS 103.
- (v) To further clarify, for determination of the date as referred in (i) above, the guidance under Ind AS will take precedence over the effective date as per Clause 5.1 for accounting purposes in accordance with the Ind AS.
- (vi) Inter-company balances between Demerged Company and Resulting Company shall be cancelled.

- (vii) The Board of Directors of the Resulting Company is authorised to account for any of account for any of the matters not dealt with in clauses herein above in accordance with the Indian accounting standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015. .

Part IV: Residual Undertaking of the Demerged Company

4. RESIDUAL UNDERTAKING OF THE DEMERGED COMPANY

4.1 Residual Undertaking

- 4.1.1 The Residual Undertaking and all assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- 4.1.2 All legal, taxation or other proceedings by or against the Demerged Company under any statute, or quasi-judicial authority or tribunal) whether pending on the date of filing of this Scheme or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Residual Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Residual Undertaking) shall be continued and enforced by or against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company if proceedings are taken up against the Resulting Company in respect of the matters referred to in this Clause, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

5. MISCELLANEOUS AND GENERAL PROVISIONS

5.1 Conditions Precedent

- (i) The Scheme is conditional on and subject to:
 - (i) The Scheme being approved and sanctioned by the NCLT under Sections 230-232 and other applicable provisions of the Companies Act;
 - (ii) Receipt of such other consents and approvals including sanction of any governmental authority (including the Securities and Exchange Board of India) or stock exchanges as may be required by law in respect of the Scheme being obtained.

The Demerged Company and the Resulting Company shall file the certified copy of the order of the NCLT, sanctioning the Scheme, with the relevant jurisdictional Registrar of Companies in terms of Section 232(5) of the Companies Act.

5.2 Provisions Applicable to Part III

- 5.2.1 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative only in the sequence and in the order mentioned hereunder:
 - (i) the transfer of the Demerged Undertaking to the Resulting Company pursuant to Part-III of this Scheme; and
 - (ii) the issue and allotment of fully paid-up equity shares of the Resulting Company to the shareholders of the Demerged Company as of the Record Date.

5.3 Compliance with Laws

- 5.3.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Chapter XV of the Companies Act, for the purpose of Demerger of the Demerged Undertaking to the Resulting Company. The Demerged Company and the Resulting Company will ensure compliance, as applicable, with the General Circular No. 09/2019 dated 21 August 2019 issued by the Ministry of Corporate Affairs with regard to the 'appointed date'.
- 5.3.2 This Scheme has been drawn up to comply with the conditions relating to "demerger" as specified under the tax laws, including Section 2(19AA) and other relevant sections of the IT Act. If any terms or provisions of the 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 aforesaid provisions of the IT Act shall prevail. 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 the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Demerged Company and the Resulting Company, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.
- 5.3.3 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise their financial statements. The order of the NCLT sanctioning the

Scheme shall be deemed to be an order of the National Company Law Tribunal permitting the Resulting Company to revise its financial statements and books of accounts and no further act shall be required to be undertaken by the Resulting Company.

5.4 Consequential Matters Relating to Tax

- 5.4.1 Upon the Scheme coming into effect, notwithstanding anything to the contrary contained in the provisions of this Scheme, all accumulated tax loss, unabsorbed losses and corresponding deferred tax assets, unabsorbed tax depreciation, tax benefits, tax deductions, tax concessions, minimum alternate tax credit, if any, of the Demerged Undertaking as on the Appointed Date, respectively shall, for all purposes, be treated as accumulated tax losses, unabsorbed losses and corresponding deferred tax assets, unabsorbed tax depreciation, tax benefits, tax deductions, tax concessions and minimum alternate tax credits of the Resulting Company.
- 5.4.2 Upon the Scheme becoming effective, the Resulting Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Demerged Undertaking under applicable laws, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 5.4.3 Upon the Scheme becoming effective, any TDS certificates issued by the Demerged Company to, or for the benefit of, the Demerged Undertaking under the IT Act with respect to the inter se transactions would be available to the Resulting Company to seek refund of from the tax authorities in compliance with law. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Demerged Company pertaining to the Demerged Undertaking on transactions other than inter se transactions shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resulting Company. Any TDS deducted by, or on behalf of, the Demerged Undertaking will be treated as advance tax deposited by the Resulting Company and shall, in all tax proceedings, be dealt with accordingly.
- 5.4.4 The Resulting Company is also expressly permitted to claim refunds, credits, benefits, concessions, deductions, allowances including restoration of input CENVAT credit, tax deduction in respect of nullifying of any transaction between or amongst the Demerged Undertaking and the Resulting Company.
- 5.4.5 The obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company pertaining to the Demerged Undertaking under the IT Act, service tax laws, central sales tax, state value added tax, goods and service tax laws or other applicable laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Resulting Company.
- 5.4.6 Upon the Scheme becoming effective, the Resulting Company is also expressly permitted to revise its income-tax returns, withholding tax returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Demerged Undertaking and the Resulting Company and to claim refunds, advance tax and withholding tax credits, benefit of carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- 5.4.7 In accordance with the Central Goods and Services Act, 2017 and other applicable laws as are prevalent on the Effective Date, the unutilised credits relating to excise duties paid on inputs/capital goods/input services lying in the accounts of the Demerged Company pertaining to the Demerged Undertaking shall be permitted to be transferred to the credit of the Resulting Company, as if all such unutilised credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such unutilised credits against the applicable output tax payable by it or claim as refund unless already claimed.

Without prejudice to the generality of the foregoing, all benefits, incentives, losses, credits (including without limitation income tax, tax on book profits, wealth tax, custom duty, value added tax, goods and services tax or any other tax), to which the Demerged Undertaking of the Demerged Company is entitled to in terms of applicable law, shall be available to and vest in the Resulting Company.

- 5.4.8 All the expenses incurred by the Demerged Company and the Resulting Company in relation to the demerger in accordance with this Scheme (including stamp duty expenses, if any) shall be allowed as deduction to the Resulting Company in accordance with Section 35DD of the IT Act over a period of 5 years beginning with the financial year in which this Scheme becomes effective.

5.5 Dividends

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

5.6 Interpretation

- 5.6.1 This Scheme shall become effective and the provisions of this Scheme shall be applicable and come into operation from the Effective Date.
- 5.6.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of applicable law 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 provisions of the applicable law shall prevail. This 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. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall vest with the Board of Directors of the Demerged Company and the Resulting Company, which power shall be exercised reasonably in the best interests of the Demerged Company and the Resulting Company and their respective shareholders.

5.7 Applications to the NCLT

- 5.7.1 The Demerged Company and the Resulting Company shall as may be required make necessary applications and/or petitions to the NCLT under Chapter XV of the Companies Act and the rules formed thereunder seeking orders for dispensing with or convening, holding and conducting of the meetings of members and/or creditors and for sanction of this Scheme with such modification as may be approved by the NCLT and all matters ancillary or incidental thereto.

5.7.2 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Demerged Company and the Resulting Company respectively (wherever required) through e-voting, as applicable, the Demerged Company and the Resulting Company shall, with all reasonable dispatch, file respective petitions before the NCLT for sanction of this Scheme under Chapter XV Companies Act and for such other order or orders, as the NCLT may deem fit for putting this Scheme into effect.

5.7.3 Upon this Scheme becoming effective, the shareholders of the Resulting Company shall be deemed to have also accorded their approval under all relevant provisions of the Companies Act for giving effect to the provisions contained in this Scheme.

5.8 **Modification or Amendments to the Scheme.**

5.8.1 The Demerged Company and the Resulting Company through either of their respective Boards of Directors or through a committee appointed by them in this behalf, may, in their full and absolute discretion, assent to any alteration, amendment or modification to this Scheme which either the boards of directors of the Demerged Company or the Resulting Company, as the case may be, deem fit, or which the NCLT and/or any other authority may deem fit to approve or impose.

5.8.2 The Demerged Company and the Resulting Company through their respective Boards of Directors or through a committee appointed by them in this behalf, may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders of the respective companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).

5.8.3 The Demerged Company and the Resulting Company, acting through their respective Boards of Directors, shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.

5.8.4 Except as otherwise expressly provided in this Scheme, the Demerged Company and the Resulting Company shall pay their respective costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementation of this Scheme. Upon this Scheme becoming effective, all costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementing of this Scheme (save as expressly otherwise agreed) by the Demerged Company shall be borne in the manner as mutually agreed between the Demerged Company and the Resulting Company.

5.8.5 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Demerged Company and the Resulting Company and their respective shareholders and the terms and conditions of this Scheme, the latter shall prevail.

5.8.6 If any part of this Scheme is invalid, ruled illegal or rejected or is unreasonably delayed or not sanctioned by any court of competent jurisdiction, or unenforceable under present or future laws, or not sanctioned or is unreasonably delayed, 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 any party, in which case the Demerged Company and the Resulting Company, acting through their respective Boards of Directors, 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, or being

unreasonably delayed or not sanctioned or is unreasonably delayed by any court of competent jurisdiction, or unenforceable under present or future laws.

- 5.8.7 Any issue as to whether any asset, liability, employee or litigation pertains to the Demerged Undertaking or not shall be decided by the Board of Directors of the Resulting Company either by themselves or through a committee appointed by them in this behalf, and if considered necessary by them, after consultation with the Board of Directors of the Demerged Company, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).

5.9 **Miscellaneous Provisions**

- 5.9.1 In the event of this Scheme failing to take effect finally by 30 June 2025 or by such later date as may be agreed by the respective Boards of Directors of the Demerged Company and the Resulting Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each company shall bear its own costs or shall bear costs as may be mutually agreed.

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

5.10 **Saving of Concluded Transactions**

The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking in accordance with the provisions of this Scheme and the continuance of the legal proceedings by or against the Resulting Company shall not affect any transaction or proceedings already completed by the Demerged Company on or before the Effective Date and the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

5.11 **Residual**

- 5.11.1 Upon this Scheme becoming effective, the Resulting Company shall be entitled to operate all bank accounts, cash and deposits relating to the Demerged Undertaking, realise all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking in the name of the Demerged Company to the extent necessary.

- 5.11.2 Upon this Scheme becoming effective, the Resulting Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to the Demerged Undertaking until the transfer of the rights and obligations of the Demerged Company pertaining to the Demerged Undertaking to the Resulting Company under this Scheme is formally accepted by the parties concerned.

Schedule 1:Balance Sheet relating to the Demerged Undertaking.

BALANCE SHEET		CHC
		31-Dec-22
ASSETS		
Non-current assets		123
PPE, CWIP, Intangibles & Goodwill		34
ROU Assets		6
Financial assets		0
Current tax assets		0
Deferred Tax Assets		83
Other non-current assets		0
Current assets		508
Inventories		363
Trade receivables		120
Cash and Bank		-
Other current assets		25
Assets held for sale		-
Total assets		632
EQUITY AND LIABILITIES		
Total Equity		(92)
Non-current liabilities		227
Lease liabilities		6
Employee benefit obligations		221
Deferred tax liabilities		-
Current liabilities		496
Employee benefit obligations		-

Trade Payables	272
Provisions	224
Current tax liabilities	-
Other liabilities	-
Liabilities classified as held for sale	-
Total equity and liabilities	631

Schedule 2: Balance Sheet relating to the Residual Undertaking.

BALANCE SHEET		(Non-CHC/Demerged)
		31-Dec-22
ASSETS		
Non-current assets		4,491
PPE,CWIP,Intangibles & Goodwill		2,668
ROU Assets		583
Financial assets		147
Current tax assets		1,099
Deferred Tax Assets		(83)
Other non-current assets		77
Current assets		15,595
Inventories		3,717
Trade receivables		1,171
Cash and Bank		10,169
Other current assets		528
Assets held for sale		10
Total assets		20,085
EQUITY AND LIABILITIES		
Total Equity		12,850
Non-current liabilities		326
Lease liabilities		143
Employee benefit obligations		134
Deferred tax liabilities		49
Current liabilities		6,910

Employee benefit obligations	1,130
Trade Payables	3,489
Provisions	1,203
Current tax liabilities	900
Other liabilities	176
Liabilities classified as held for sale	12
Total equity and liabilities	20,086