

**Form No. CAA.7**  
**[Pursuant to section 232 and rule 20]**  
**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**KOLKATA BENCH**

**Company Petition (CAA) No. 167/KB/2023**

**Connected with**

**Company Application (CAA) No. 137/KB/2023**

*A petition under Section 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules 2016;*

In the matter of:

1. **ROSSELL INDIA LIMITED**, a company incorporated under the Companies Act, 1956 and having its registered office at Jindal Towers, Block "B" 4<sup>th</sup> Floor, 21/1A/3, Darga Road, Kolkata-700017, within the aforesaid jurisdiction.

...The first petitioner company/ demerged company

And

2. **ROSSELL TECHSYS LIMITED**, a company incorporated under the Companies Act, 2013 and having its registered office at Jindal Towers, Block "B", 4<sup>th</sup> Floor, 21/1A/3, Darga Road, Kolkata-700017, within the aforesaid jurisdiction.

...The second petitioner company/ resulting company

And

In the matter of:

1. **ROSSELL INDIA LIMITED**
2. **ROSSELL TECHSYS LIMITED**

...Petitioner Companies

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*10/11/23*

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## Order Under Sections 230 and 232 of the Companies Act, 2013

The above Company Petition coming on for further hearing on the 03<sup>rd</sup> April, 2024 and upon hearing the advocate appearing for the Petitioners and upon hearing Deputy Director of Regional Directorate, Eastern Region representing the Central Government the final order was passed on the 25<sup>th</sup> April, 2024..

1. The instant petition has been filed under Section 230(6) of the Companies Act, 2013 ("Act") for sanction of the Scheme of Arrangement of

<b>Rossell India Limited</b>	Demerged Company
<b>Rossell Techsys Limited</b>	Resulting Company

whereby and where under the Demerged undertaking is proposed to be transferred to the Resulting Company from the **Appointed Date, 1<sup>st</sup> April, 2023** in the manner and on the terms and conditions stated in the said **Scheme of Arrangement ("Scheme")**

2. The Petition has now come up for final hearing. Counsel for the Petitioners submits as follows:-

- a) The appointed date as per the Scheme is 1<sup>st</sup> April, 2023.
- b) The Scheme was approved by the Board of Directors of Petitioner No-1 and 2 have at their meeting held on 16<sup>th</sup> December, 2022 have approved the Scheme of Arrangement. Subsequently.
- c) The circumstances which justify and/or have necessitated the Composite Scheme of Amalgamation and the benefits of the same are, inter alia, as follows:-

- a) Creating a dedicated Tech vertical with focused attention on the Aerospace and Defense business under RTL and a dedicated Tea vertical which shall continue under RIL;

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- b) Demerger will enable both Demerged Company and the Resulting Company to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies;
- c) Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to their own businesses. Thus, each undertaking will have its own set of likeminded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business;
- d) Demerger will enhance efficiencies and will have different business interest into separate corporate entity, resulting in operational synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration;
- e) Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two (2) listed entities after the Scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.
- f) The proposed Demerger shall also benefit all the shareholders, creditors, employees and all other stakeholders and shall enable the group to achieve and fulfil its objectives more efficiently and economically.

FOR THE PURPOSE OF ARRANGEMENT

The Scheme is a part of an overall streamlining and re-organization plan and is expected to provide the following benefits:



- a. It will result in reduction in administrative, managerial and other expenditures, operational rationalization and optimal utilization of various resources and duplication of administrative functions will also be eliminated in reduced expenditure;
- b. Streamlining the management control and operation of businesses and activities;
- c. Provide an opportunity to leverage combined assets and build a stronger sustainable business; and
- d. Simplification and rationalization of the holding structure and reduction in corporate legal entities.
- e. The facilities available with the Transferor Company and the Transferee Company could be pooled together and the amalgamated company will be able to exploit the facilities available as one single unit for the benefit of the amalgamated company and consolidates its business.
- f. The Statutory Auditors of the Petitioner Companies have by their certificate dated 16<sup>TH</sup> December, 2022 have confirmed that the accounting treatment in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.
- g. No proceedings are pending under Sections 210 to 227 of the Companies Act, 2013 against the Petitioners.
- h. The exchange ratio of shares in consideration of the Arrangement has been fixed on a fair and reasonable basis and on the basis of the Report dated 16<sup>th</sup> December, 2022 of Mr. Harsh Chandrakant Ruparelia, Chartered Accountant, IBBI, Registered Valuer.

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- i. By an order dated 13<sup>th</sup> July, 2023 in Company Application No. CA/(CAA)/137/KB/2022 this Tribunal made the following directions with regard to meetings of shareholders and creditors under Section 230(1) of the Act:-

SN	NAME OF THE PETITIONER COMPANIES	EQUITY SHARE HOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
1.	Rossell India Limited	<p>A. Promoter and Promoter group-No of Shares held= 2,81,98,233 And % of total Shares 74.80%</p> <p>B. Public : No of shares held - 94,98,242 and % of total shares 25.20%</p> <p>7 (Seven including 6(six) nominees</p>	4 (Four)	358
2.	Rossell Techsys Limited		Nil	1 (One)

3. By an order dated 13<sup>th</sup> July, 2023 in Company Application (CAA) No. 133/KB/2023 this Tribunal passed the following directions with regard to meetings of shareholders and creditors under Section 230(1) of the Act:

- (a) **Meetings of Equity Shareholders:** Meeting of the Equity Shareholders of the First Petitioner Company was held on 25th August, 2023 at 1:00 P.M. and Mr.

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Ritoban Sarkar was appointed as Chairperson and Ms. Shruti Singhania was appointed as Scrutinizer of the said meeting and meeting of the Second Petitioner Company was dispensed with.

- (b) **Meetings of Secured Creditors:** Meeting of the Secured Creditors of the First Petitioner Company was dispensed with in view of written consent by way of affidavits were given and meeting of the Second Petitioner Company was also dispensed with as there are nil Secured Creditors in the Second Petitioner Company.
- (c) **Meetings of Unsecured Creditors:** Meeting of the Unsecured Creditors of the First Petitioner Company was held on 25th August, 2023 at 4:00 P.M. and Mr. Ritoban Sarkar was appointed as Chairperson and Ms. Shruti Singhania was appointed as Scrutinizer of the said meeting and meeting of the Unsecured Creditor of Second Petitioner was dispensed in view of written consent given by way of affidavit.
- (d) **Mr. Ritoban Sarkar, Advocate** appointed as Chairperson has filed his two reports on 15<sup>th</sup> September 2023 (Annexure P-20 in Volume V at Pages 645 to 753A).

4. Consequently, the Petitioner(s) presented the instant petition for sanction of the Scheme. By an order dated 6<sup>th</sup> October, 2023 the instant petition was admitted by this Tribunal and fixed for hearing on 16<sup>th</sup> November, 2023 upon issuance of notices to the Statutory / Sectoral Authorities and advertisement of date of hearing. In compliance with the said order dated 6<sup>th</sup> October, 2023. The Petitioner(s) have duly served such notices on the Regulatory Authorities viz Particulars in tabular form as follows:-

Authorities	By Hand	Speed Post	Email
Regional Director, Eastern Region, Kolkata	19.10.2023	30.10.2023	20.10.2023
Registrar of Companies West Bengal	19.10.2023	30.10.2023	20.10.2023

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Income Tax Authorities	19.10.2023	20.10.2023	20.10.2023
Goods & Services Tax Authorities	30.10.2023	20.10.2023	20.10.2023
National Stock Exchange	-	20.10.2023	20.10.2023
BSE Limited	-	20.10.2023	20.10.2023
SEBI		20.10.2023	20.10.2023
Paper Publication	30.10.2023		
Affidavit of Compliance filed with the Registry	6.11.2023		

5. All statutory formalities requisite for obtaining sanction of the Scheme have been duly complied with by the Petitioners. The Scheme has been made bonafide and is in the interest of all concerned.
6. It is further submitted by the Learned Counsel for the Petitioners that the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) have by their letters dated 23<sup>rd</sup> May 2023 (annexed as P-18 at Pg 629 to 632) and 22<sup>nd</sup> May, 2023 (annexed as P-18 at Pg 626 to 628), respectively have given their "no objection/no adverse observation" letters to the Second Petitioner Company therein respectively mentioning the observations/directions provided /given by the Stock Exchanges on the Scheme, to file the Scheme with the Tribunal for its consideration.
7. Pursuant to the said advertisements and notices the Regional Director, Ministry of Corporate Affairs, Kolkata ("RD") have filed their representations before this Tribunal.
8. The RD has filed his reply affidavit dated 30<sup>th</sup> November 2023 ("RD affidavit") which has been dealt with by the Petitioner(s) by their Rejoinder affidavit dated 1<sup>st</sup> December, 2023 ("Rejoinder"). The observations of the RD and responses of the Petitioner(s) are summarized as under:-

**Paragraph 2 (a) of RD Affidavit**

*That it is submitted that on the examination report of the Registrar of Companies, West Bengal, it appears that no complaint and/or representation has been received against the proposed Scheme of Arrangement. Further, the*

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*Demerged Company is updated in filing their Financial Statements and Annual Returns for the financial year 31/03/2023. However, in the said report, the ROC, West Bengal further reported that the Demerged Company namely Rossell India Limited has 7(seven) nos. of active charge amount of Rs.3160,00,00,000/ and the Resulting Company namely Rossell Techsys Limited has failed to file MGT-14 under section 179(3) read with section 117 of the Companies Act, 2013.(Copy of the said report of ROC,WB has been marked as Annexure-1 to the Reply Affidavit).*

**Paragraph 4 of the Rejoinder**

With regards to the observation raised in Paragraph 2(a)) of the aforesaid affidavit, it is submitted that the Form MGT-14 was filed by the Rossell India Limited on 5<sup>th</sup> December, 2022 with regard to the formation of a New Company under the name and style of "Rossell Techsys Limited" or "Rossell Techsys India Limited" or any other name as may be approved by the MCA as a wholly owned subsidiary of Rossell India Limited. Accordingly, Form MGT-14 vide SRN F51756542 was filed on 5<sup>th</sup> December, 2022. A copy of the said Form MGT-14 along with the copy of Board Resolutions and filing receipt are annexed to Rejoinder at Pg 8 to 18. It is further stated and submitted that Resulting Company namely Rossell Techsys Limited was incorporated only on 6<sup>th</sup> December, 2022. Therefore, filing of Form MGT-14 by Resulting Company for the corresponding similar resolution is not applicable. A copy of the Certificate of Incorporation of Rossell Techsys Limited is annexed to the Rejoinder at Pg 7.

**Paragraph 2 (b) of RD Affidavit**

*As per Scheme of Arrangement, the Demerged Company, Rossell India Limited is engaged in the business of cultivation, manufacture and selling of Bulk Tea known as Rossell Tea Division and also in Aerospace and Defense Business which has its engineering and manufacturing center in Bengaluru known as Rossell Techsys Division. Further, the Aerospace and Défense Division i.e. Rossell Techsys Division is engaged in the business of providing interconnect solutions and electrical panel assemblies, Test Solutions and aftermarket services in Aerospace and Défense Sector. The proposed Scheme of*

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*Arrangement provides for demerger of "Rossell Techsys Division Undertaking" to the Resulting Company i.e. Rossell Techsys Limited. In view of the above, the Petitioner Company, Rossell India Limited being engaged in Defense Business should undertake through appropriate affirmation that proper notices have been served to the Concerned Regulatory Authorities/Ministries, if applicable.*

**Paragraph 5 of the Rejoinder**

With reference to the paragraph 2(b) of the said affidavit it is submitted that Resulting Company is engaged in the business of providing wire harnessing and aviation components to the Companies that are in the Aerospace and Defence sector. Therefore, no requirement to serve notices to the Ministry of Defence or any other concerned regulatory Authorities for the sanction of Scheme of Arrangement.

**Paragraph 2 (c) of RD Affidavit**

*That it is submitted that Demerged Company namely Rossell India Limited is listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India (NSE). The BSE vide its letter No. DCS/AMAL/PB/IP/2765/2023/24 dated 22.05.2023 issued its "No Adverse Observation" to the proposed Scheme of Amalgamation. Further the NSE has also vide its letters No. NSE/LIST/33864 dated 23/05/2023 issued its "Observation Letter" which, inter alia, conveyed the 'No Objection' of the NSE in terms of Regulation 94 of SEBI (LODR) Regulation, 2015 so as to enable the Company to file the draft Scheme with Hon'ble NCLT. Further, as per said letters, the validity of the said 'Observation Letters' shall be six months from 23/05/2023 within which the Scheme shall be submitted to NCLT. However, the Exchanges reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/incorrect/ misleading/false or for any contravention of Rules, Bye-laws and Regulation of the Exchange, Listing Regulation, Guidelines/Regulations issued by Statutory Authorities (Copies of such letters have been collectively marked as Annexure-II to the Reply Affidavit)*

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**Paragraph 6 of the Rejoinder**

With regards to the observation raised in paragraph 2(c) of the said affidavit it is submitted that the letter issued by the stock exchange clearly mentioned that "The validity of this letter shall be six months from May 23, 2023, within which the Scheme shall be submitted to NCLT". It is stated and submitted that the application under section 230 and 232 of the Companies Act 2013 has been filed with the NCLT Kolkata Bench on 7th June 2023 which is within six months in terms of the letter dated May 23, 2023 issued by the National Stock Exchange of India Limited (NSE).

**Paragraph 2 (d) of RD Affidavit**

*It is further submitted that the Demerged Company, Rossell India Limited had filed a separate Petition for sanctioning of Scheme of Amalgamation with Appointed Date as 1st July, 2022 in CP(CAA) No. 163/KB/2023 connected with CA(CAA) No. 133/KB/2023 in which the Demerged Company, Rossell India Limited of the proposed Scheme of Arrangement is the Transferee Company and the Transferor Company is BMG Enterprises Limited. However, the said Petition is still pending before the Hon'ble NCLT, Kolkata Bench.*

**Paragraphs 7 of the Rejoinder**

With reference to the paragraph 2(d) of the said affidavit it is stated and submitted that the C.P.(CAA) No. 163/KB/2023 filed by the BMG Enterprises Limited and Rossell India Limited for sanctioning of Scheme of Amalgamation and that is the independent Scheme and have no bearing on this Scheme.

**Paragraph 2 (e) of RD Affidavit**

*The Petitioner Companies should be directed to provide list details of Assets, if any, to be demerged transferred from the Demerged Transferor Company to the Resulting /Transferee Company upon sanctioning of the proposed Scheme of Arrangement.*

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**Paragraph 8 of the Rejoinder**

With regards to the observation raised in Para 2(e) of the aforesaid affidavit, it is submitted that as soon as the scheme is sanctioned by this Hon'ble Tribunal the Resulting Company undertakes to file schedule of assets, to be transferred from the Demerged Company to the Resulting Company.

**Paragraph 2 (f) of RD Affidavit.**

*That the Petitioner company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013, if applicable, through appropriate affirmation.*

**Paragraph 9 of the Rejoinder**

With regards to the observation raised in Para 2(f) of the aforesaid affidavit, it is submitted that the Resulting Company undertakes to comply with the provisions of Section 232(3)(i) of the Companies Act 2013 as soon as the scheme is sanctioned by this Hon'ble Tribunal .

**Paragraph 2 (g) of RD Affidavit**

*That the Resulting/Transferee Company should be directed to pay applicable stamp duty on each stage of Transfer/Demerge of the immovable properties from the respective Demerged/Transferor Company to it.*

**Paragraph 10 of the Rejoinder**

With reference to the paragraph 2(g) of the said affidavit, the Resulting Company hereby undertakes to pay necessary stamp duty as applicable as soon as the scheme is sanctioned by this Hon'ble Tribunal.

**Paragraph 2 (h) of RD Affidavit**

*The Hon'ble Tribunal may kindly direct the Petitioners to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy or no change is made.*

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**Paragraph 11 of the Rejoinder**

With reference to paragraph 2 (h) of the said affidavit, it was confirmed and submitted that the scheme enclosed to the Company Application and Company Petition is one and same and there is no discrepancy, and no change is made.

**Paragraph 2 (i) of RD Affidavit**

*It was submitted that the Income Tax Department had forwarded one letter no. F. No. DCIT.Circle-4(1)/Kolkata/ MCA/2023-24/118 dated 28.07.2023 stating therein that certain documents and financial statements have been requisitioned from the Applicant company and matter is under verification, the objection/non objection certificate, if any, will be sent after verification at the earliest (Copy of the said letter of Income Tax Department has been marked as Annexure-III to the Reply Affidavit).*

**Paragraph 12 of the Rejoinder**

With reference to paragraph 2(i) of the said affidavit, it is stated and submitted that the Demerged Company has filed petition for rectification of Assessment Order as well as petition for the stay of demands raised by the Income Tax Authority before the Jurisdictional AO and the said petitions are still pending for final hearing. Copy of the Petition has been annexed to the Petition as Annexure 'B' to the Rejoinder at Pg 19 to 32. Further, the appeals have been preferred by the Company before learned CIT (Appeals) against the arbitrary and unfair orders passed by the jurisdiction Assessing Officer, which are pending disposal. In the event any issues are raised after sanction of the Scheme, the Demerged Company shall deal with it in accordance with law.

9. Heard the submissions made by the Ld. Counsel appearing for the Petitioners and the JD appearing for the RD(ER). It has been stated by the JD (ER) that the office of RD(ER) has no objection, if the scheme of arrangement is sanctioned by this Tribunal. This statement is taken on record. Upon perusing the records and documents in the instant proceedings and considering the submissions, we allow the petition and make the following orders:-

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## THIS TRIBUNAL DOTH ORDER

- i. The Scheme of Arrangement mentioned in this Petition being Annexure P-1 is hereby sanctioned by this Tribunal with Appointed date as **1st day of April, 2023** and to be binding on the Resulting Company Rossell Techsys Limited, and their shareholders and all concerned.
  - ii. Vesting and transfer of all assets, properties entitlements rights benefits and advantages, liabilities and obligations of the Demerged Undertaking of the Demerged Company to the Resulting Company and to become the assets, properties, entitlements, rights, benefits, advantages, liabilities and obligations of the Resulting Company.
  - iii. That all proceedings and/or suit appeals now pending by or against or in relation to the Demerged Undertaking of Demerged Company shall be continued by or against the Resulting Company for which necessary records of the Demerged undertaking shall be preserved by the Resulting company as per the provisions of Section 239 of the Companies Act 2013.
  - iv. Leave is granted to the Resulting Company to file the Schedule of assets, and also the liabilities, of the Demerged Company in the form as prescribed in the Schedule to Form No. CAA7 of the Companies (Compromises, Arrangements and Amalgamations) Rules 2016 within three weeks from the date of receiving a copy of this order.
  - v. That any person/authority aggrieved shall be at liberty to apply to this Tribunal in the above matter for any direction that may be necessary;
  - vi. The Demerged Company and the Resulting Company shall each within thirty days of the date of the receipt of this order, cause a certified copy thereof to be delivered to the Registrar of Companies for registration.
  - vii. The Petitioner(s) shall supply legible print out of the scheme and schedule of assets and liabilities in acceptable form to the Registry and the Registry will append such printout, upon verification to the certified copy of the order.
10. The Company Petition C.P (CAA) No. 167 KB / 2023 connected with Company Application C.A(CAA) No 137 / KB / 2023 is disposed of accordingly.

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**Witness:**

Shri Rohit Kapoor, Hon'ble Member (Judicial) and Shri Balraj Joshi, the Hon'ble Member (Technical) at Kolkata aforesaid on the 25<sup>th</sup> April, 2024. Mr. Ratnanko Banerji, Senior Advocate, Mrs. Amnju Bhuteria, Advocate, Ms. Arundhati Roy Barman, Advocate, Mr. Anirudhya Dutta, Advocate for the petitioners.

Mr. Sudhir Kapoor, JD for the RD (ER), MCA.

**Schedule of Assets**

**First Part-I**

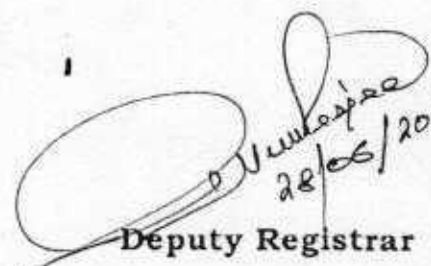
**(As per Annexure)**

**Second Part-II**

**(As per Annexure)**

**Third Part-III**

**(As per Annexure)**

  
28/06/2024  
**Deputy Registrar**  
**National Company Law Tribunal**  
**Kolkata Bench**

Dated, the 28<sup>th</sup> day of June, 2024.

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SCHEME OF ARRANGEMENT

BETWEEN

ROSSELL INDIA LIMITED

("RIL" or "THE DEMERGED COMPANY")

AND

ROSSELL TECHSYS LIMITED

("RTL" or "THE RESULTING COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

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I. PREAMBLE

This Scheme of Arrangement ('Scheme') is presented under Sections 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The Scheme inter-alia provides for the following:

- (i) Demerger of the "**Demerged Undertaking**" (*as defined hereinafter*) from the **Demerged Company** (*as defined hereinafter*) into the **Resulting Company** (*as defined hereinafter*) and the consequent issuance of equity shares by Resulting Company to all the shareholders of Demerged Company pursuant to section 230-232 read with section 66 and other relevant provisions of the **Act** (*as defined hereinafter*) in the manner provided for in the Scheme and in compliance with Section 2(19AA) read with Section 2(41A) and other relevant provisions of the **IT Act** (*as defined hereinafter*) ("**Demerger**");
- (ii) Reduction and cancellation of the existing paid up share capital of the Resulting Company; and



- (iii) Listing of the equity shares of Resulting Company on the Stock Exchanges (as defined hereinafter) along with various other matters consequential or otherwise integrally connected therewith

## **II. BACKGROUND**

- i. Rossell India Limited (hereinafter referred to as the "Demerged Company"), bearing CIN - L01132WB1994PLC063513, is a listed public limited company having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata - 700017, West Bengal, India. The equity shares of Demerged Company are listed on BSE and NSE (as defined hereinafter). Demerged Company has 2 (two) Divisions viz. (i) Tea and (ii) Aerospace and Defense.
- ii. The Demerged Company is engaged inter-alia in the business of cultivation, manufacture and selling of Bulk Tea known as Rossell Tea Division. RIL owns Tea Estates in Assam. The Aerospace and Defense Division known as Rossell Techsys Division of RIL is engaged in the business of providing interconnect solutions and electrical panel assemblies, Test Solutions and after market services in Aerospace and Defense sector.
- iii. The Demerged Company along with its nominees holds 100% of the paid-up equity share capital of the Resulting Company.
- iv. Rossell Techsys Limited (hereinafter referred to as the "Resulting Company"), bearing CIN - U29299WB2022PLC258641, is an unlisted public limited company (being a wholly-owned subsidiary of a public company) having its registered office situated at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata - 700017, West Bengal, India. The Resulting Company is incorporated to conduct the Aerospace and Defense business of RIL as specified in its Memorandum of Association.

## **III. RATIONALE OF THE SCHEME**

The Demerged Company is engaged in the business of cultivation, manufacture and selling of Tea viz. Rossell Tea Division and in Aerospace and Defense business which has its engineering and manufacturing center in Bengaluru viz.





Rossell Techsys Division. The Resulting Company has been incorporated with the objective of engaging in the business of Rossell Techsys Division. Hence, it is proposed to segregate the same by way of demerger into the Resulting Company which will result in focused approach to exploit the growth potential of the Demerged Undertaking.

The segregation of the Demerged Undertaking shall have the following benefits:

- Creating a dedicated Tech vertical with focused attention on the Aerospace and Defense business under RTL and a dedicated Tea vertical which shall continue under RIL;
- Demerger will enable both Demerged Company and the Resulting Company to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies;
- Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to their own businesses. Thus, each undertaking will have its own set of likeminded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business;
- Demerger will enhance efficiencies and will have different business interest into separate corporate entity, resulting in operational synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration;
- Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two (2) listed entities after the Scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.



- The proposed Demerger shall also benefit all the shareholders, creditors, employees and all other stakeholders and shall enable the group to achieve and fulfil its objectives more efficiently and economically.

#### IV. PARTS OF THE SCHEME

The Scheme of Arrangement is divided into the following parts:

**Part A** - Deals with definitions and share capital;

**Part B** - Deals with the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company;

**PART C** - Deals with cancellation and reduction of existing share capital of the Resulting Company;

**PART D** - Deals with general terms and conditions applicable to this Scheme.

### PART A

#### DEFINITIONS AND SHARE CAPITAL

##### 1. **DEFINITIONS**

In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **"Act" or "the Act"** means the Companies Act, 2013 as in force from time to time (including any statutory modifications(s) or re-enactment(s) or amendments thereof) and rules and regulations made thereunder, for the time being in force, and which may relate or are applicable to the arrangement.
- 1.2 **"Applicable Law"** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock



exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time.

- 1.3 **"Appointed Date"** means 1<sup>st</sup> April 2023 or such other date as may be approved by the National Company Law Tribunal or any other competent authority for the purpose of this Scheme;
- 1.4 **"Board" or "Board of Directors"** means the Board of Directors of the Resulting Company or the Demerged Company or both as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of Directors;
- 1.5 **"BSE"** means the BSE Limited;
- 1.6 **"the Demerged Company" or "RIL"** means Rossell India Limited, bearing CIN - L01132WB1994PLC063513, a Company incorporated under the Companies Act, 1956 and being governed under the Companies Act, 2013 and having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata - 700017, West Bengal, India;
- 1.7 **"Demerged Undertaking" or "Rossell Techsys Division Undertaking"** shall mean and include the entire Rossell Techsys Division as a going concern, including all its undertaking, activities, operations and properties, wheresoever situated, employees and all its liabilities and obligations, of whatsoever nature and kind, in each case pertaining to the Rossell Techsys Division and including activities related to for supply of interconnect solutions and electrical panel assemblies, test solutions, and after market services, deployed in military Aerospace and Defense platforms, and shall include (without limitation) all the assets, liabilities and employees of the Demerged Company related to the Demerged Undertaking and includes, without limitation in relation to the foregoing:
- a) all assets including investment held in Rossell Techsys Inc., USA and properties, whether movable or immovable, real or personal, in possession or reversion, tangible or intangible, corporeal or incorporeal, present, future or contingent, leasehold or freehold, including all rights including development



rights, title and interest in any land whether leasehold or otherwise, plant and machinery, fixed or movable, capital work in progress, other fixed assets, current assets, loans, bonds, advances, inventory and work in progress relating to the Demerged Undertaking, as on the Appointed Date;

- b) all the debts, borrowings and liabilities, including contingent liabilities and obligations, including loan against property or such other mortgage, present or future, whether secured or unsecured, relating to the Demerged Undertaking, as on the Appointed Date;
- c) all statutory licenses, approvals, permissions, registration, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, incentives, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), powers of attorney, all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Demerged Undertaking, as on the Appointed Date;
- d) all permanent employees and labour, if any, relating to the Demerged Undertaking, as on the Effective Date;
- e) all earnest monies and/or security deposits in connection with or relating to the Demerged Undertaking, as on the Appointed Date; and
- f) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking, as on the Appointed Date.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking of the Demerged Company or whether it arises out of the activities or operations of the Demerged Undertaking





of the Demerged Company shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

- 1.8 **"Effective Date"** means the dates on which the certified copies of the Orders of the NCLT sanctioning the Scheme are filed with the Registrar of Companies by the Demerged Company and the Resulting Company;
- 1.9 **"IT Act"** means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof and the rules made thereunder, for the time being in force;
- 1.10 **"Liabilities"** means all debts, liabilities (including contingent liabilities, and obligations under any licenses or permits or schemes), duties, taxes, obligations and undertakings of every kind or nature, of any description whatsoever whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;
- 1.11 **"National Company Law Tribunal" or "NCLT" or "Tribunal"** the National Company Law Tribunal, Kolkata Bench;
- 1.12 **"NSE"** means National Stock Exchange of India Limited;
- 1.13 **"Record Date"** means the date fixed by the Board of Directors or committee thereof, if any, of the Demerged Company and Resulting Company for the purpose of determining the members of the Demerged Company to whom New Equity Shares will be allotted pursuant to this Scheme.
- 1.14 **"Remaining Business of Demerged Company" or "Remaining Undertaking of Demerged Company"** means entire business of the Demerged Company other than the Demerged Undertaking (as defined in Clause 1.7 above);
- 1.15 **"Resulting Company" or "the Resulting Company" or "RTL"** means Rossell Techsys Limited, bearing CIN – U29299WB2022PLC258641, a company incorporated under the Companies Act, 2013 and having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata – 700017, West Bengal, India;



- 1.16 **"Scheme of Arrangement" or "Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form as submitted to the NCLT, Kolkata Bench, with such modification(s) / amendments, if any made, as per Clause 18 of the Scheme.
- 1.17 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.18 **"SEBI Circular"** means the master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 issued by SEBI on November 23, 2021 or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;
- 1.19 **"Share Entitlement Ratio"** shall have the meaning as set out in Clause 11.1;
- 1.20 **"Stock Exchanges"** means the BSE and NSE collectively;
- 1.21 **"Taxation" or "Tax" or "Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source/ tax collected at source, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to the Demerged Company and the Resulting Company or any other person and all penalties, charges, costs and interest relating thereto;
- 1.22 **"Tax Laws"** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act.

In the Scheme, unless the context otherwise requires:

- (i) references to a statutory provision include any subordinate legislation made from



time to time under that provision;

- (ii) references to the singular include the plural and vice versa and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Parties beyond that which would have existed had this Clause been omitted;
- (iv) references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;
- (v) references to "Companies" shall collectively mean Rossell India Limited and Rossell Techsys Limited;
- (vi) headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;
- (vii) the expression "this Clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub-Clause, paragraph or other provision) in which the expression occurs;
- (viii) references to Clauses are to Clauses of this Scheme;
- (ix) references to any person shall include that person's successors and permitted assigns or transferees;
- (x) references to the words "include" or "including" shall be construed without limitation;
- (xi) references to the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme; and



where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generic with any foregoing words.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, Kolkata Bench or made as per Clause 18 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date unless the context requires otherwise.
- 2.2 Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.

## 3. SHARE CAPITAL

- 3.1 The share capital of the Demerged Company as at March 31, 2022 is as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
4,50,00,000 Equity Shares of Rs. 2 each	9,00,00,000
<b>Total</b>	<b>9,00,00,000</b>
<b>Issued Subscribed and Paid-up Capital</b>	
3,66,96,475 Equity shares of Rs. 2 each	7,33,92,950
<b>Total</b>	<b>7,33,92,950</b>

As on date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been a change in the issued, subscribed and paid-up capital of the Demerged Company which is as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
3,80,00,000 Equity Shares of Rs. 2 each	7,60,00,000
14,00,000 Preference Shares of Rs. 10 each	1,40,00,000
<b>Total</b>	<b>9,00,00,000</b>
<b>Issued Subscribed and Paid-up Capital</b>	
3,76,96,475 Equity shares of Rs. 2 each	7,53,92,950
<b>Total</b>	<b>7,53,92,950</b>





- 3.2 The share capital of the Resulting Company as at December 10, 2022 is as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
6,00,00,000 Equity Shares of Rs. 2 each	12,00,00,000
<b>Total</b>	<b>12,00,00,000</b>
<b>Issued Subscribed and Paid-up Capital</b>	
50,000 Equity Shares of Rs. 2 each	1,00,000
<b>Total</b>	<b>1,00,000</b>

The entire paid up equity share capital of the Resulting Company is held by the Demerged Company along with its nominees. As on date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the issued, subscribed and paid-up capital of the Resulting Company.

#### **PART B**

#### **DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

#### **4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

- 4.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the Demerged Undertaking of the Demerged Company shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 (IT Act) and Sections 230 to 232 read with section 66 of the Act and all other Applicable Laws, without any further act or instrument, deed, matter or thing be transferred to and vested in the Resulting Company on a 'going concern' basis in such manner that all the present and future properties, assets, investments including investment held in Rossell Techsys Inc., USA , rights, claims, title, benefits, interest, obligations, liabilities, litigations and authorities of the Demerged Undertaking shall stand transferred to and become integral part of the Resulting Company in the manner provided in the Scheme. The Demerged Undertaking shall stand absolutely and irrevocably transferred to the Resulting Company automatically without requirement of execution of any further documents for registering the name of the Resulting Company as owner or developer thereof, as the case may be, and necessary applications as may be required shall be made to the concerned



authorities for recording such transfer and such authorities may rely on the Scheme along with the copy of the Order passed by the NCLT.

4.2 Upon the Scheme becoming effective, with the effect from the Appointed Date, all immovable properties pertaining to the Demerged Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed and without any approval or acknowledgement of any third party. Upon the Scheme coming into effect, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties (whether freehold or leasehold) comprised in the Demerged Undertaking, in favor of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme and it becoming effective in accordance with the terms thereof.

4.3 Upon the Scheme becoming effective, with effect from the Appointed Date, in respect of any and all immovable properties (including land together with the buildings and structures standing thereon) held/owned by the Demerged Company, whether freehold or leasehold/licensed and any documents of title, rights and easements in relation thereto forming part of the Demerged Undertaking, shall stand transferred to and be vested in the Resulting Company. The conveyancing of the said immovable properties in terms of transfer of rights, title/ entitlement, etc and the mutation / assignment of the title and the rights of the immovable properties in the name of the Resulting Company shall be done either by way of the said Scheme itself or through a separate conveyance deed between the Demerged Company and the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay lease rent/license fees, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/assignment of title or rights to the immovable properties in the name of the Resulting Company shall be made and duly recorded by the appropriate authorities or the concerned lessors/licensors



pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof and pursuant to filing of the separate conveyance deed as stated hereinabove, if required.

- 4.4 Upon the Scheme becoming effective, with the effect from the Appointed Date, in respect of all the movable assets relating to the Demerged Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company.
- 4.5 Upon the Scheme becoming effective, with the effect from the Appointed Date, in respect of any assets relating to the Demerged Undertaking other than those mentioned in Clause 4.3 above, including actionable claims, (including any decree, contingent inflows, rights arising on account of *lis pendens*, etc.), sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers of the Demerged Undertaking, if so required by the Resulting Company, the Demerged Company and / or the Resulting Company may, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme between the Demerged Company and the Resulting Company under Section 230 to 232 read with section 66 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.6 Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Demerged Undertaking, as on the Appointed Date whether provided for or not in the books of accounts of the Demerged Company and all other liabilities (including decree, contingent liabilities, obligations arising due to any *lis pendens*, etc.) which may





accrue or arise after the Appointed Date but which relate to the period on or up to the Appointed Date shall, pursuant to the Orders of the NCLT or such other competent authority as may be applicable under Section 230 to 232 read with section 66 and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in and assumed by the Resulting Company pursuant to the provisions of Sections 230 to 232 read with section 66 of the Act, so as to become as from the Appointed Date, the liabilities of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company.

4.7 Upon the Scheme becoming effective, with effect from the Appointed Date and, any statutory licenses, certificates, permissions or approvals or consents held by the Demerged Company required to carry on operations in and/ or in so far as they pertain to the Demerged Undertaking shall stand vested in or transferred to the Resulting Company or will be held to be for the benefit of the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents including but not limited to approvals from Municipal Corporation, Environment Clearance Certificate, Title Clearance Certificate issued by any Competent Authority, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, Intimation Of Disapproval (IOD), Commencement Certificate, Occupation Certificate, Development Right Certificate (DRC), No Objection Certificate from any authorities, including the Municipal authorities, competent authority under Competition Act, 2002, Competent authority under the Urban Land Ceiling Act, 1976 , as applicable, or any other competent authority rights so far as they pertain to the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme.

4.8 In so far as the various incentives, tax benefits/credits, goods and services tax benefits, subsidies, concessions, grants, rights, benefits, claims, liberties, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person or availed of by the Demerged Company relating to and/ or in so far as it pertains to





the Demerged Undertaking are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions.

- 4.9 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Demerged Company (in relation to the Demerged Undertaking) after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company or received through electronic transfers. Similarly, the banker of the Resulting Company shall honour all cheques / electronic fund transfer instructions issued by the Demerged Company (in relation to the Demerged Undertaking) for payment after the Effective Date. If required, the bankers of the Demerged Company and the Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Demerged Company by the Resulting Company in relation to the Demerged Undertaking for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques, pay orders and electronic transfers that have been issued/made in the name of the Resulting Company.
- 4.10 All the existing securities, mortgages, charges, encumbrances, if any, as on the Appointed Date and those created by the Demerged Company, relating to the Demerged Undertaking, after the Appointed Date, over the assets of the Demerged Company transferred to the Resulting Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Resulting Company.
- 4.11 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, goods & services tax, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source,



wealth tax, etc) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

- 4.12 Any tax liabilities under the service tax laws, excise duty laws, goods and services tax, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of the Demerged Undertaking of the Demerged Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Resulting Company.
- 4.13 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, goods and services tax, applicable state value added tax etc.) to which the Demerged Undertaking of the Demerged Company is entitled to in terms of applicable laws, shall be available to and vest in the Resulting Company, upon this Scheme coming into effect.
- 4.14 The transfer and vesting as aforesaid shall be subject to the existing charges/ hypothecation/ mortgages/lien, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Demerged Company is a party wherein the assets pertaining to the Demerged Undertaking has been or is offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Demerged Company and vested in the Resulting Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Resulting Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Demerged Undertaking of the Demerged Company which shall vest in the Resulting Company by virtue of the Scheme and the Resulting Company shall not be obliged to create any further, or additional security thereof after the transfer has become effective or otherwise.

## 5. CONTRACTS, DEEDS, ETC.

Upon the scheme coming into force and with effect from the Appointed Date –



5.1 Without prejudice to the generality of Clause 4 above, all the contracts, deeds, etc. relating to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company in the following manner:

- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements including development agreements, power of attorneys, Memorandum of Understanding (MOUs), instruments, licenses, engagements, certificates, permissions, consents, approvals, concessions and incentives, arrangements, lease agreements, assurances and other instruments of whatsoever nature relating to the Demerged Undertaking to which the Demerged Company is a part, subsisting or having effect immediately before the Scheme coming into force shall remain in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectively as if the Resulting Company instead of the Demerged Company, had been a party thereto.
- (b) the Resulting Company shall, wherever necessary, enter into and/or execute deeds, writings, or enter into any tripartite arrangements, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Resulting Company shall be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliance in respect of such deeds, writings, confirmations or novations.

## **6. STAFF WORKMEN AND EMPLOYEES**

Upon the scheme coming into force and with effect from the Appointed Date:

- 6.1 All employees of the Demerged Undertaking shall be deemed to have become employees of the Resulting Company without any interruption of or break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to the Demerged Company prevailing at the time of the Scheme coming into force.





- 6.2 It is expressly provided that, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts including any employment benefits, terminal benefits etc. (if any) created or existing for the benefit of the staff, workmen and employees of the Demerged Company, in relation to the Demerged Undertaking, shall become the trusts/funds of the Resulting Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in connection with the Demerged Undertaking, relating to such fund or funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Demerged Company, in relation to Demerged Undertaking, will be treated as having been continuous for the purpose of the said fund or funds.
- 6.3 In so far as the fund or funds created or existing for the benefit of the employees of the Demerged Company, in relation to the Demerged Undertaking, upon the scheme coming into force, balances lying in the accounts of the employees of the Demerged Company in relation to the Demerged Undertaking in the said fund or funds shall stand transferred from the respective fund or funds of the Demerged Company, in relation to the Demerged Undertaking to the corresponding fund or funds set up by the Resulting Company.
- 6.4 Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Demerged Undertaking or the Remaining Business of the Demerged Company, shall be decided by Board of Directors of the Demerged Company.

## **7. LEGAL PROCEEDINGS**

- 7.1 All legal or other proceedings by or against the Demerged Company, whether initiated on or arising and pending before the Scheme coming into force and relating to the Demerged Undertaking shall stand transferred to the Resulting Company.
- 7.2 If any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance





with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

- 7.3 On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Company, in respect of the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by the Demerged Company.

## **8. COMPLIANCE WITH TAX LAWS**

- 8.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of Applicable Law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act. Such modification will however not affect the other parts of the Scheme.
- 8.2 The Demerged Company and the Resulting Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act, goods and services tax law, and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.
- 8.3 Any refund under the Customs Act 1962, applicable goods and services tax, State Value Added Tax laws or other applicable laws/ regulations dealing with indirect taxes/ duties/ levies allocable or related to the Demerged Undertaking of the Demerged Company and due to the Demerged Company consequent to the assessment made on the Demerged Company for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company.



8.4 Obligation for deduction of tax at source / collection of tax at source on any payment relating to the Demerged Undertaking made by or to be made by the Demerged Company under the IT Act, customs law, state value added tax, goods and services tax or other applicable laws / regulations dealing with taxes/ duties / levies on or after Appointed Date shall be made or deemed to have been made and duly complied with by the Resulting Company.

8.5 Without prejudice to the generality of the above, all benefits, incentives, tax losses, credits (including, without limitation, applicable state value added tax, goods and services tax, tax deducted as source etc.) relating to the Demerged Undertaking shall be available to and vest in the Resulting Company.

#### **9. SAVINGS OF CONCLUDED TRANSACTIONS**

9.1 Nothing in the Scheme shall affect any transaction or proceeding already concluded by the Demerged Company in respect of the Demerged Undertaking to the end and intent that the Demerged Company shall accept and adopt all acts, deeds and things done executed by the Demerged Company in relation to the Demerged Undertaking as if it is done and executed by the Resulting Company itself.

#### **10. REMAINING BUSINESS**

10.1 The Remaining Business of the Demerged Company shall continue to belong to and be vested in and be managed by the Demerged Company.

10.2 All legal and other proceedings by or against the Demerged Company under any statute that is pending till the Scheme comes into force and thereafter which is relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.

10.3 With effect from the Appointed Date up to Effective Date:



- 10.3.1 The Demerged Company shall continue and / or may be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
- 10.3.2 The Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business;
- 10.3.3 All profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profits, or losses, as the case may be, of the Demerged Company; and
- 10.3.4 All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.
- 10.4 All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.

## **11. ISSUE OF SHARES**

- 11.1 Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators, legal representatives or the successors in title, as the case may be as may be recognized by the Board of Directors of the Resulting Company, in the following proportion:



*"[1] fully paid up equity share of Rs 2 (Indian Rupees Two each of the Resulting Company) for every [1] fully paid up equity share of Rs 2 (Indian Rupees Two) each held in the Demerged Company"*

(Equity shares to be issued by the Resulting Company as above are hereinafter referred to as "New Equity Shares").

- 11.2 In the event that the equity shares to be issued result in fractional entitlement, the Resulting Company shall not issue fractional shares to such shareholder but shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Resulting Company in that behalf), who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of Resulting Company Shares, as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee.
- 11.3 The Resulting Company shall take necessary steps to increase, alter, or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.
- 11.4 The consideration to be issued and allotted under Clause 11.1 of the Scheme shall be in accordance with the applicable laws and regulations in force and contractual / other arrangement between parties, if any.
- 11.5 The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company. The shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing shares of the Resulting Company.
- 11.6 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of section 42, section 62, if





applicable, and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

- 11.7 The consideration in the form of equity shares shall be issued and allotted by the Resulting Company in dematerialized form to all the shareholders of the Demerged Company holding shares in dematerialized form and in physical form to all those shareholders of the Demerged Company holding shares in physical form.
- 11.8 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 (the New Equity Shares of Resulting Company) to trading in terms of SEBI Circular read with other Applicable Laws (as amended from time to time). The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 11.9 The equity shares allotted pursuant to this Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of Resulting Company between Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 11.10 The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the appropriate authorities including the Reserve Bank of India, for the issue and allotment of Equity Shares of the Resulting Company by to non-resident equity shareholders of the Demerged Company, if any, in terms of the Applicable Laws, including rules and regulations applicable to foreign investment.

## **12. ACCOUNTING TREATMENT**

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



The Demerged Company shall account for the demerger of Demerged Undertakings in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, in its books of accounts from the Appointed Date, such that:

- 12.1.1 All the assets and the liabilities of the Demerged Undertakings as appearing in the books of accounts of the Demerged Company shall stand transferred to and vested in the Resulting Company pursuant to the Scheme and shall be reduced from the respective book value of assets and liabilities of the Demerged Company;
- 12.1.2 The difference, if any, between the book value of assets of the Demerged Undertakings of the Demerged Company transferred to Resulting Company less the book value of the liabilities of the Demerged Undertakings of the Demerged Company transferred to the Resulting Company, shall be adjusted against Capital Reserve, General Reserves and Retained Earnings.

**12.2 In the books of the Resulting Company**

Upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company shall account for the Demerged Undertaking in its books as per the applicable accounting principles under Indian Accounting Standard 103 and/ or any other applicable Indian Accounting Standard as the case maybe;

- 12.2.1 The Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at the same value appearing in the books of the Demerged Company;
- 12.2.2 The shareholding represented by equity shares of the Demerged Company in the Resulting Company as on the Appointed Date will stand cancelled and the difference between the above and share capital of Resulting Company, if any, shall be adjusted in capital reserve(s);



- 12.2.3 The Resulting Company shall credit its share capital in its books of account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme;
- 12.2.4 The identity of the reserves pertaining to the Demerged Undertaking of the Demerged Company shall be preserved and shall appear in the financial statements of the Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company;
- 12.2.5 The surplus/ deficit, if any, of book value of the assets over the liabilities pertaining to the Demerged Undertaking transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 12.2.1 above, over the amount credited as share capital as per Clause 12.2.2 above, and after giving effect to 12.2.4 above, shall be adjusted in capital reserve;
- 12.2.6 Loans and advances and other dues outstanding as on the Appointed Date between the Demerged Company pertaining to the Demerged Undertaking and the Resulting Company will stand cancelled and there shall be no further obligation/ outstanding in that behalf;
- 12.2.7 In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference till the Appointed Date shall be adjusted in capital reserves of the Resulting Company, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy;

**13. BOOKS AND RECORDS OF THE DEMERGED COMPANY**

All books, records, files, papers, engineering and process information, building plans, business plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, except the Demerged Undertaking and pertaining to the Remaining Business of the Demerged Company, to the extent possible and permitted under Applicable Laws, shall continue to be with the Demerged Company.



**14. BOOKS AND RECORDS OF THE RESULTING COMPANY**

All books, records, files, papers, engineering and process information, building plans, business plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Demerged Undertaking, to the extent possible and permitted under Applicable Laws, be handed over by the Demerged Company to the Resulting Company.

**15. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE**

With effect from the Appointed Date and up to and including the Effective Date:

- 15.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Demerged Undertaking for and on account of and in trust for Resulting Company. The Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 15.2 The Demerged Company shall carry on and be deemed to have carried on its businesses and activities relating to the Demerged Undertaking and shall stand possessed of its entire business and undertakings, in trust for the Resulting Company and shall account for the same to the Resulting Company. The Demerged Company hereby undertakes to hold the said assets of the Demerged Undertaking with utmost prudence until the Effective Date.
- 15.3 The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Resulting Company, alienate charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking or part thereof.
- 15.4 All the profits or income accruing or arising to the Demerged Company or expenditure or losses arising or incurred or suffered by the Demerged Company





pertaining to the Demerged Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.

- 15.5 The Demerged Company shall not vary the terms and conditions of employment of any of the employees of the Demerged Company pertaining to the Demerged Undertaking, if any, except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company, as the case may be, prior to the Appointed Date.

### **PART C**

#### **CANCELLATION AND REDUCTION OF PAID UP SHARE CAPITAL OF THE RESULTING COMPANY**

#### **16. CANCELLATION AND REDUCTION OF PAID UP SHARE CAPITAL OF THE RESULTING COMPANY**

- 16.1 Upon the Scheme becoming effective and upon the allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with provisions of Clause 11 above, the existing paid up equity share capital of the Resulting Company held by the Demerged Company as on Effective Date shall stand cancelled without any further act or deed immediately and without any consideration and accordingly, the paid up share capital of the Resulting Company shall stand reduced to the extent of face value of such equity shares cancelled.
- 16.2 The amount of paid up equity share capital of the Resulting Company cancelled as per Clause 16.1 above shall be credited to the capital reserve account in the books of the Resulting Company.
- 16.3 The cancellation and reduction in paid up share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 230 to 232 read with section 66 of the Act and any other applicable provisions of the Act. The reduction would not involve either a diminution in liability in respect of the unpaid share capital, it being clarified that the procedure under Section 66 of the Act shall not be applicable in view of



the Explanation to Section 230(12) of the Act. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

#### **PART -D**

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

#### **17. APPLICATION TO NCLT**

The Demerged Company and the Resulting Company shall, as may be required, make applications and/or petitions under Sections 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Act to the NCLT or such other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

#### **18. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 18.1 On behalf of the Demerged Company and the Resulting Company, the Board of Directors of respective companies, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Board of Directors of the Demerged Company and the Resulting Company) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 18.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Company and the Resulting Company, may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.





## **19. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- 19.1. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of Demerged Company and Resulting Company as may be directed by the NCLT or any other authority;
- 19.2. The requisite consent, approval or permission of the NCLT or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- 19.3. The Scheme being sanctioned by the NCLT or any other authority under section 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013; and
- 19.4. Certified or authenticated copy of the Order of the NCLT or any other authority sanctioning the Scheme being filed with the Registrar of Companies by the Demerged Company and the Resulting Company.

## **20. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

## **21. DIVIDENDS**

- 21.1. The Demerged Company/ Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in



respect of the accounting period after the Appointed Date and prior to the Effective Date.

- 21.2. The holders of the shares of the Demerged Company/ 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.
- 21.3. 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/ Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company/ Resulting Company and subject to the approval of the shareholders of the Demerged Company/ Resulting Company respectively, if applicable.

## **22. REMOVAL OF DIFFICULTIES**

The Demerged Company and the Resulting Company may, through mutual consent and acting through the respective board of directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or any directives or orders of any governmental authorities or otherwise rising out of, under or by the virtue of this scheme in relation to the arrangement contemplated in this scheme and / or matters concerning or connected therewith. ↓

## **23. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Demerged Company and the Resulting Company equally.

\*\*\*\*\*







**Schedule of Assets and Properties of Rossell India Limited ("Demerged Company") to be transferred and vested in the Rossell Techsys Limited (Resulting Company) as on the Appointed Date i.e. 01 April 2023 :**

**Part – I**

**Short Description of Freehold Property of Rossell India Limited ("Demerged Company") To Be Transferred To Rossell Techsys Limited ("Resulting Company")**

Sr No.	Particulars	Area
1.	NONE	

**Part – II**

**Short Description of Leasehold Property of Rossell India Limited ("Demerged Company") To Be Transferred To Rossell Techsys Limited ("Resulting Company")**

Sr No.	Particulars	Area
1.	All that piece and parcel of the Land being Plot No. 58-C measuring 15,986 Sq. Mtrs. in Aerospace Sector at Hi-Tech Defence and Aerospace Park, Devanahalli, Bangalore, acquired in terms of "Lease Deed" dated 17 <sup>th</sup> March, 2016 entered into with Karnataka Industrial Areas Development Board	15,986 Sq. Mtrs.
2.	All that piece and parcel of the Land adjacent to Plot No. 58-C measuring 1,128 Sq. Mtrs. in Aerospace Sector at Hi-Tech Defence and Aerospace Park, Devanahalli, Bangalore, acquired in terms of "Supplementary Agreement" dated 7 <sup>th</sup> May, 2018 issued by Karnataka Industrial Areas Development Board	1,128 Sq. Mtrs.
3.	Industrial 3 Stories Building constructed on 1 and 2 above having the Built Up Gross Area of 24,447.46 Sq. Mtrs.	24,447.46 Sq. Mtrs.

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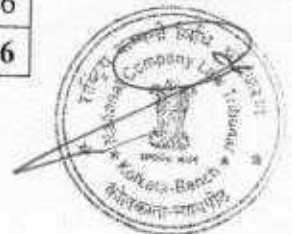


Part – III

Short Description of the Stocks, Shares, Debentures and other charges in action of Rossell India Limited ("Demerged Company") to be transferred to Rossell Techsys Limited ("Resulting Company") as on the appointed date i.e. 01 April 2023 :

Particulars	1st April, 2023 (Rs. In Lakhs)
<b>I. ASSETS</b>	
<b>(1) Non-current assets</b>	
(a) Property, Plant and Equipment	10,082.16
(b) Capital work-in-progress	121.70
(c) Other Intangible Assets	846.79
(d) Intangible Assets Under Development	81.14
(e) Investment in Subsidiary: 392 Shares of Common Stock in Rossell Techsys Inc.	75.13
(f) Other Non-current Assets	2.43
<b>Total Non-Current Assets</b>	<b>11,209.35</b>
<b>(2) Current assets</b>	
(a) Inventories	
Raw Materials	12,860.76
Finished Goods	340.65
Work in Progress	864.64
Stores and Spares	6.89
	14,072.94
(b) Financial Assets	
(i) Trade Receivables	4,720.66
(ii) Cash and Cash Equivalents	5.49
(e) Other Current Assets	707.98
<b>Total Current Assets</b>	<b>19,507.07</b>
<b>TOTAL ASSETS (A)</b>	<b>30,716.42</b>
<b>(1) Liabilities</b>	
<b>(a) Non-Current Liabilities</b>	
(i) Financial Liabilities	
Borrowings	1,499.46
<b>Total Non-Current Liabilities</b>	<b>1,499.46</b>

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(b) Current Liabilities

(i) Financial Liabilities

Borrowings

13,268.20

Trade Payables

2,242.07

Other Financial Liabilities

159.29

(ii) Other Current Liabilities

1,645.48

Total Current Liabilities

17,315.04

Total Liabilities (B)

18,814.50

NET ASSETS (A) – (B)

11,901.92



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National Company Law Tribunal  
Kolkata Bench



**SCHEME OF ARRANGEMENT**  
**BETWEEN**  
**ROSSELL INDIA LIMITED**  
**("RIL" or "THE DEMERGED COMPANY")**  
**AND**  
**ROSSELL TECHSYS LIMITED**  
**("RTL" or "THE RESULTING COMPANY")**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

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**I. PREAMBLE**

This Scheme of Arrangement ('Scheme') is presented under Sections 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The Scheme inter-alia provides for the following:

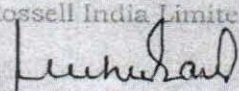
- (i) Demerger of the "**Demerged Undertaking**" (*as defined hereinafter*) from the **Demerged Company** (*as defined hereinafter*) into the **Resulting Company** (*as defined hereinafter*) and the consequent issuance of equity shares by Resulting Company to all the shareholders of Demerged Company pursuant to section 230-232 read with section 66 and other relevant provisions of the Act (*as defined hereinafter*) in the manner provided for in the Scheme and in compliance with Section 2(19AA) read with Section 2(41A) and

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For Rossell India Limited

  
Director (Finance) and Company Secretary



other relevant provisions of the IT Act (as defined hereinafter) ("**Demerger**");

- (ii) Reduction and cancellation of the existing paid up share capital of the Resulting Company; and
- (iii) Listing of the equity shares of Resulting Company on the Stock Exchanges (as defined hereinafter) along with various other matters consequential or otherwise integrally connected therewith

## II. BACKGROUND

- i. Rossell India Limited (hereinafter referred to as the "Demerged Company"), bearing CIN – L01132WB1994PLC063513, is a listed public limited company having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata – 700017, West Bengal, India. The equity shares of Demerged Company are listed on BSE and NSE (as defined hereinafter). Demerged Company has 2 (two) Divisions viz. (i) Tea and (ii) Aerospace and Defense.
- ii. The Demerged Company is engaged inter-alia in the business of cultivation, manufacture and selling of Bulk Tea known as Rossell Tea Division. RIL owns Tea Estates in Assam. The Aerospace and Defense Division known as Rossell Techsys Division of RIL is engaged in the business of providing interconnect solutions and electrical panel assemblies, Test Solutions and after market services in Aerospace and Defense sector.
- iii. The Demerged Company along with its nominees holds 100% of the paid-up equity share capital of the Resulting Company.
- iv. Rossell Techsys Limited (hereinafter referred to as the "Resulting Company"), bearing CIN: U29299WB2022PLC258641, is an unlisted public limited company (being a wholly-owned subsidiary of a public company) having its registered office situated at Jindal Towers, Block - "B",





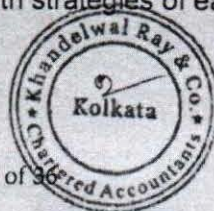
4th Floor, 21/1A/3, Darga Road, Kolkata – 700017, West Bengal, India.  
The Resulting Company is incorporated to conduct the Aerospace and Defense business of RIL as specified in its Memorandum of Association.

### III. RATIONALE OF THE SCHEME

The Demerged Company is engaged in the business of cultivation, manufacture and selling of Tea viz. Rossell Tea Division and in Aerospace and Defense business which has its engineering and manufacturing center in Bengaluru viz. Rossell Techsys Division. The Resulting Company has been incorporated with the objective of engaging in the business of Rossell Techsys Division. Hence, it is proposed to segregate the same by way of demerger into the Resulting Company which will result in focused approach to exploit the growth potential of the Demerged Undertaking.

The segregation of the Demerged Undertaking shall have the following benefits:

- Creating a dedicated Tech vertical with focused attention on the Aerospace and Defense business under RTL and a dedicated Tea vertical which shall continue under RIL;
- Demerger will enable both Demerged Company and the Resulting Company to enhance business operations by streamlining operations, more efficient management control and outlining independent growth strategies;
- Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to their own businesses. Thus, each undertaking will have its own set of likeminded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business;





- 4
- Demerger will enhance efficiencies and will have different business interest into separate corporate entity, resulting in operational synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration;
  - Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of the Demerged Undertaking for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two (2) listed entities after the Scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.
  - The proposed Demerger shall also benefit all the shareholders, creditors, employees and all other stakeholders and shall enable the group to achieve and fulfil its objectives more efficiently and economically.

#### IV. PARTS OF THE SCHEME

The Scheme of Arrangement is divided into the following parts:

**Part A** - Deals with definitions and share capital;

**Part B** - Deals with the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company;

**PART C** - Deals with cancellation and reduction of existing share capital of the Resulting Company;

**PART D** - Deals with general terms and conditions applicable to this Scheme.





**PART A**  
**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **"Act" or "the Act"** means the Companies Act, 2013 as in force from time to time (including any statutory modifications(s) or re-enactment(s) or amendments thereof) and rules and regulations made thereunder, for the time being in force, and which may relate or are applicable to the arrangement.
- 1.2 **"Applicable Law"** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time.
- 1.3 **"Appointed Date"** means 1<sup>st</sup> April 2023 or such other date as may be approved by the National Company Law Tribunal or any other competent authority for the purpose of this Scheme;
- 1.4 **"Board" or "Board of Directors"** means the Board of Directors of the Resulting Company or the Demerged Company or both as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the Board of Directors or such committee of Directors;
- 1.5 **"BSE"** means the BSE Limited;





- 1.6 **"the Demerged Company"** or **"RIL"** means Rossell India Limited, bearing CIN – L01132WB1994PLC063513, a Company incorporated under the Companies Act, 1956 and being governed under the Companies Act, 2013 and having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata – 700017, West Bengal, India;
- 1.7 **"Demerged Undertaking"** or **"Rossell Techsys Division Undertaking"** shall mean and include the entire Rossell Techsys Division as a going concern, including all its undertaking, activities, operations and properties, wheresoever situated, employees and all its liabilities and obligations, of whatsoever nature and kind, in each case pertaining to the Rossell Techsys Division and including activities related to for supply of interconnect solutions and electrical panel assemblies, test solutions, and aftermarket services, deployed in military Aerospace and Defense platforms, and shall include (without limitation) all the assets, liabilities and employees of the Demerged Company related to the Demerged Undertaking and includes, without limitation in relation to the foregoing:
- a) all assets including investment held in Rossell Techsys Inc., USA and properties, whether movable or immovable, real or personal, in possession or reversion, tangible or intangible, corporeal or incorporeal, present, future or contingent, leasehold or freehold, including all rights including development rights, title and interest in any land whether leasehold or otherwise, plant and machinery, fixed or movable, capital work in progress, other fixed assets, current assets, loans, bonds, advances, inventory and work in progress relating to the Demerged Undertaking, as on the Appointed Date;
  - b) all the debts, borrowings and liabilities, including contingent liabilities and obligations, including loan against property or such other mortgage, present or future, whether secured or unsecured, relating to the Demerged Undertaking, as on the Appointed Date;





- 7
- c) all statutory licenses, approvals, permissions, registration, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, incentives, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), powers of attorney, all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Demerged Undertaking, as on the Appointed Date;
  - d) all permanent employees and labour, if any, relating to the Demerged Undertaking, as on the Effective Date;
  - e) all earnest monies and/or security deposits in connection with or relating to the Demerged Undertaking, as on the Appointed Date; and
  - f) all records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking, as on the Appointed Date.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking of the Demerged Company or whether it arises out of the activities or operations of the Demerged Undertaking of the Demerged Company shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.





- 1.8 **"Effective Date"** means the dates on which the certified copies of the Orders of the NCLT sanctioning the Scheme are filed with the Registrar of Companies by the Demerged Company and the Resulting Company;
- 1.9 **"IT Act"** means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof and the rules made thereunder, for the time being in force;
- 1.10 **"Liabilities"** means all debts, liabilities (including contingent liabilities, and obligations under any licenses or permits or schemes), duties, taxes, obligations and undertakings of every kind or nature, of any description whatsoever whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;
- 1.11 **"National Company Law Tribunal" or "NCLT" or "Tribunal"** the National Company Law Tribunal, Kolkata Bench;
- 1.12 **"NSE"** means National Stock Exchange of India Limited;
- 1.13 **"Record Date"** means the date fixed by the Board of Directors or committee thereof, if any, of the Demerged Company and Resulting Company for the purpose of determining the members of the Demerged Company to whom New Equity Shares will be allotted pursuant to this Scheme
- 1.14 **"Remaining Business of Demerged Company" or "Remaining Undertaking of Demerged Company"** means entire business of the Demerged Company other than the Demerged Undertaking (as defined in Clause 1.7 above);
- 1.15 **"Resulting Company" or "the Resulting Company" or "RTL"** means Rossell Techsys Limited, bearing CIN – U29299WB2022PLC258641, a company incorporated under the Companies Act, 2013 and having its registered office at Jindal Towers, Block - "B", 4th Floor, 21/1a/3, Darga Road, Kolkata – 700017, West Bengal, India;





- 1.16 **"Scheme of Arrangement"** or **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form as submitted to the NCLT, Kolkata Bench, with such modification(s) / amendments, if any made, as per Clause 18 of the Scheme.
- 1.17 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.18 **"SEBI Circular"** means the master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 issued by SEBI on November 23, 2021 or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;
- 1.19 **"Share Entitlement Ratio"** shall have the meaning as set out in Clause 11.1;
- 1.20 **"Stock Exchanges"** means the BSE and NSE collectively;
- 1.21 **"Taxation"** or **"Tax"** or **"Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source/ tax collected at source, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to the Demerged Company and the Resulting Company or any other person and all penalties, charges, costs and interest relating thereto;
- 1.22 **"Tax Laws"** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature.





All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act.

In the Scheme, unless the context otherwise requires:

- (i) references to a statutory provision include any subordinate legislation made from time to time under that provision;
- (ii) references to the singular include the plural and vice versa and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Parties beyond that which would have existed had this Clause been omitted;
- (iv) references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;
- (v) references to "Companies" shall collectively mean Rossell India Limited and Rossell Techsys Limited;
- (vi) headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;
- (vii) the expression "this Clause" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub-Clause, paragraph or other provision) in which the expression occurs;
- (viii) references to Clauses are to Clauses of this Scheme;
- (ix) references to any person shall include that person's successors and permitted





assigns or transferees;

- (x) references to the words "include" or "including" shall be construed without limitation;
- (xi) references to the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme; and

where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generic with any foregoing words.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, Kolkata Bench or made as per Clause 18 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date unless the context requires otherwise.
- 2.2 Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.

## 3. SHARE CAPITAL

- 3.1 The share capital of the Demerged Company as at March 31, 2022 is as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
4,50,00,000 Equity Shares of Rs. 2 each	9,00,00,000
<b>Total</b>	<b>9,00,00,000</b>
<b>Issued Subscribed and Paid-up Capital</b>	
3,66,96,475 Equity shares of Rs. 2 each	7,33,92,950
<b>Total</b>	<b>7,33,92,950</b>





As on date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been a change in the issued, subscribed and paid-up capital of the Demerged Company which is as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
3,80,00,000 Equity Shares of Rs. 2 each	7,60,00,000
14,00,000 Preference Shares of Rs. 10 each	1,40,00,000
<b>Total</b>	<b>9,00,00,000</b>
<b>Issued Subscribed and Paid-up Capital</b>	
3,76,96,475 Equity shares of Rs. 2 each	7,53,92,950
<b>Total</b>	<b>7,53,92,950</b>

- 3.2 The share capital of the Resulting Company as at December 10, 2022 is as under:

Particulars	Amount in Rs.
<b>Authorised Capital</b>	
6,00,00,000 Equity Shares of Rs. 2 each	12,00,00,000
<b>Total</b>	<b>12,00,00,000</b>
<b>Issued Subscribed and Paid-up Capital</b>	
50,000 Equity Shares of Rs. 2 each	1,00,000
<b>Total</b>	<b>1,00,000</b>

The entire paid up equity share capital of the Resulting Company is held by the Demerged Company along with its nominees. As on date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the issued, subscribed and paid-up capital of the Resulting Company.





**PART B**

**DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED  
COMPANY INTO THE RESULTING COMPANY**

**4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

- 4.1 Upon the Scheme becoming effective, with effect from the Appointed Date, the Demerged Undertaking of the Demerged Company shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961 (IT Act) and Sections 230 to 232 read with section 66 of the Act and all other Applicable Laws, without any further act or instrument, deed, matter or thing be transferred to and vested in the Resulting Company on a 'going concern' basis in such manner that all the present and future properties, assets, investments including investment held in Rossell Techsys Inc., USA, rights, claims, title, benefits, interest, obligations, liabilities, litigations and authorities of the Demerged Undertaking shall stand transferred to and become integral part of the Resulting Company in the manner provided in the Scheme. The Demerged Undertaking shall stand absolutely and irrevocably transferred to the Resulting Company automatically without requirement of execution of any further documents for registering the name of the Resulting Company as owner or developer thereof, as the case may be, and necessary applications as may be required shall be made to the concerned authorities for recording such transfer and such authorities may rely on the Scheme along with the copy of the Order passed by the NCLT.
- 4.2 Upon the Scheme becoming effective, with the effect from the Appointed Date, all immovable properties pertaining to the Demerged Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed and without any approval or acknowledgement of any third party. Upon the





Scheme coming into effect, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties (whether freehold or leasehold) comprised in the Demerged Undertaking, in favor of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme and it becoming effective in accordance with the terms thereof.

- 4.3 Upon the Scheme becoming effective, with effect from the Appointed Date, in respect of any and all immovable properties (including land together with the buildings and structures standing thereon) held/owned by the Demerged Company, whether freehold or leasehold/licensed and any documents of title, rights and easements in relation thereto forming part of the Demerged Undertaking, shall stand transferred to and be vested in the Resulting Company. The conveyancing of the said immovable properties in terms of transfer of rights, title/ entitlement, etc and the mutation / assignment of the title and the rights of the immovable properties in the name of the Resulting Company shall be done either by way of the said Scheme itself or through a separate conveyance deed between the Demerged Company and the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay lease rent/license fees, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/assignment of title or rights to the immovable properties in the name of the Resulting Company shall be made and duly recorded by the appropriate authorities or the concerned lessors/licensors pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof and pursuant to filing of the separate conveyance deed as stated hereinabove, if required.





- 4.4 Upon the Scheme becoming effective, with the effect from the Appointed Date, in respect of all the movable assets relating to the Demerged Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company.
- 4.5 Upon the Scheme becoming effective, with the effect from the Appointed Date, in respect of any assets relating to the Demerged Undertaking other than those mentioned in Clause 4.3 above, including actionable claims, (including any decree, contingent inflows, rights arising on account of *lis pendens*, etc.), sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers of the Demerged Undertaking, if so required by the Resulting Company, the Demerged Company and / or the Resulting Company may, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme between the Demerged Company and the Resulting Company under Section 230 to 232 read with section 66 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.





- 4.6 Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Demerged Undertaking, as on the Appointed Date whether provided for or not in the books of accounts of the Demerged Company and all other liabilities (including decree, contingent liabilities, obligations arising due to any *lis pendens*, etc.) which may accrue or arise after the Appointed Date but which relate to the period on or up to the Appointed Date shall, pursuant to the Orders of the NCLT or such other competent authority as may be applicable under Section 230 to 232 read with section 66 and other applicable, provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in and assumed by the Resulting Company pursuant to the provisions of Sections 230 to 232 read with section 66 of the Act, so as to become as from the Appointed Date, the liabilities of the Resulting Company on the same terms and conditions as were applicable to the Demerged Company.
- 4.7 Upon the Scheme becoming effective, with effect from the Appointed Date and, any statutory licenses, certificates, permissions or approvals or consents held by the Demerged Company required to carry on operations in and/ or in so far as they pertain to the Demerged Undertaking shall stand vested in or transferred to the Resulting Company or will be held to be for the benefit of the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents including but not limited to approvals from Municipal Corporation, Environment Clearance Certificate, Title Clearance Certificate issued by any Competent Authority, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, Intimation Of Disapproval (IOD), Commencement Certificate, Occupation Certificate, Development Right Certificate (DRC), No Objection Certificate from any authorities, including





the Municipal authorities, competent authority under Competition Act, 2002, Competent authority under the Urban Land Ceiling Act, 1976 , as applicable, or any other competent authority rights so far as they pertain to the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme.

- 4.8 In so far as the various incentives, tax benefits/credits, goods and services tax benefits, subsidies, concessions, grants, rights, benefits, claims, liberties, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person or availed of by the Demerged Company relating to and/ or in so far as it pertains to the Demerged Undertaking are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions.
- 4.9 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Demerged Company (in relation to the Demerged Undertaking) after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company or received through electronic transfers. Similarly, the banker of the Resulting Company shall honour all Cheques / electronic fund transfer instructions issued by the Demerged Company (in relation to the Demerged Undertaking) for payment after the Effective Date. If required, the bankers of the Demerged Company and the Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Demerged Company by the Resulting Company in relation to the Demerged Undertaking for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of Cheques, pay





orders and electronic transfers that have been issued/made in the name of the Resulting Company.

- 4.10 All the existing securities, mortgages, charges, encumbrances, if any, as on the Appointed Date and those created by the Demerged Company, relating to the Demerged Undertaking, after the Appointed Date, over the assets of the Demerged Company transferred to the Resulting Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Resulting Company.
- 4.11 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, goods & services tax, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 4.12 Any tax liabilities under the service tax laws, excise duty laws, goods and services tax, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of the Demerged Undertaking of the Demerged Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Resulting Company.
- 4.13 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, goods and





services tax, applicable state value added tax etc.) to which the Demerged Undertaking of the Demerged Company is entitled to in terms of applicable laws, shall be available to and vest in the Resulting Company, upon this Scheme coming into effect.

- 4.14 The transfer and vesting as aforesaid shall be subject to the existing charges/ hypothecation/ mortgages/lien, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Demerged Company is a party wherein the assets pertaining to the Demerged Undertaking has been or is offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Demerged Company and vested in the Resulting Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Resulting Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Demerged Undertaking of the Demerged Company which shall vest in the Resulting Company by virtue of the Scheme and the Resulting Company shall not be obliged to create any further, or additional security thereof after the transfer has become effective or otherwise.

## 5. CONTRACTS, DEEDS, ETC.

Upon the scheme coming into force and with effect from the Appointed Date –

- 5.1 Without prejudice to the generality of Clause 4 above, all the contracts, deeds, etc. relating to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company in the following manner:
- (a) Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements including development agreements,





power of attorneys, Memorandum of Understanding (MOUs), instruments, licenses, engagements, certificates, permissions, consents, approvals, concessions and incentives, arrangements, lease agreements, assurances and other instruments of whatsoever nature relating to the Demerged Undertaking to which the Demerged Company is a part, subsisting or having effect immediately before the Scheme coming into force shall remain in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectively as if the Resulting Company instead of the Demerged Company, had been a party thereto.

- (b) the Resulting Company shall, wherever necessary, enter into and/or execute deeds, writings, or enter into any tripartite arrangements, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause. The Resulting Company shall be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliance in respect of such deeds, writings, confirmations or novations.

## **6. STAFF WORKMEN AND EMPLOYEES**

Upon the scheme coming into force and with effect from the Appointed Date:

- 6.1 All employees of the Demerged Undertaking shall be deemed to have become employees of the Resulting Company without any interruption of or break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to the Demerged Company prevailing at the time of the Scheme coming into force.





- 6.2 It is expressly provided that, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts including any employment benefits, terminal benefits etc. (if any) created or existing for the benefit of the staff, workmen and employees of the Demerged Company, in relation to the Demerged Undertaking, shall become the trusts/funds of the Resulting Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in connection with the Demerged Undertaking, relating to such fund or funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Demerged Company, in relation to Demerged Undertaking, will be treated as having been continuous for the purpose of the said fund or funds.
- 6.3 In so far as the fund or funds created or existing for the benefit of the employees of the Demerged Company, in relation to the Demerged Undertaking, upon the scheme coming into force, balances lying in the accounts of the employees of the Demerged Company in relation to the Demerged Undertaking in the said fund or funds shall stand transferred from the respective fund or funds of the Demerged Company, in relation to the Demerged Undertaking to the corresponding fund or funds set up by the Resulting Company.
- 6.4 Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Demerged Undertaking or the Remaining Business of the Demerged Company, shall be decided by Board of Directors of the Demerged Company.





## 7. LEGAL PROCEEDINGS

- 7.1 All legal or other proceedings by or against the Demerged Company, whether initiated on or arising and pending before the Scheme coming into force and relating to the Demerged Undertaking shall stand transferred to the Resulting Company.
- 7.2 If any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 7.3 On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Company, in respect of the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by the Demerged Company.

## 8. COMPLIANCE WITH TAX LAWS

- 8.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of Applicable Law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act. Such modification will however not affect the other parts of the Scheme.
- 8.2 The Demerged Company and the Resulting Company are expressly permitted to revise, its financial statements and returns along with





prescribed forms, filings and annexures under the IT Act, goods and services tax law, and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.

- 8.3 Any refund under the Customs Act 1962, applicable goods and services tax, State Value Added Tax laws or other applicable laws/ regulations dealing with indirect taxes/ duties/ levies allocable or related to the Demerged Undertaking of the Demerged Company and due to the Demerged Company consequent to the assessment made on the Demerged Company for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company.
- 8.4 Obligation for deduction of tax at source / collection of tax at source on any payment relating to the Demerged Undertaking made by or to be made by the Demerged Company under the IT Act, customs law, state value added tax, goods and services tax or other applicable laws / regulations dealing with taxes/ duties / levies on or after Appointed Date shall be made or deemed to have been made and duly complied with by the Resulting Company.
- 8.5 Without prejudice to the generality of the above, all benefits, incentives, tax losses, credits (including, without limitation, applicable state value added tax, goods and services tax, tax deducted as source etc.) relating to the Demerged Undertaking shall be available to and vest in the Resulting Company.

## 9. SAVINGS OF CONCLUDED TRANSACTIONS

- 9.1 Nothing in the Scheme shall affect any transaction or proceeding already concluded by the Demerged Company in respect of the Demerged Undertaking to the end and intent that the Demerged Company shall accept





and adopt all acts, deeds and things done executed by the Demerged Company in relation to the Demerged Undertaking as if it is done and executed by the Resulting Company itself.

#### 10. REMAINING BUSINESS

10.1 The Remaining Business of the Demerged Company shall continue to belong to and be vested in and be managed by the Demerged Company.

10.2 All legal and other proceedings by or against the Demerged Company under any statute that is pending till the Scheme comes into force and thereafter which is relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.

10.3 With effect from the Appointed Date up to Effective Date:

10.3.1 The Demerged Company shall continue and / or may be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;

10.3.2 The Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business;

10.3.3 All profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profits, or losses, as the case may be, of the Demerged Company; and





10.3.4 All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

10.4 All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.

## 11. ISSUE OF SHARES

11.1 Upon the Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators, legal representatives or the successors in title, as the case may be as may be recognized by the Board of Directors of the Resulting Company, in the following proportion:

*"[1] fully paid up equity share of Rs 2 (Indian Rupees Two each of the Resulting Company) for every [1] fully paid up equity share of Rs 2 (Indian Rupees Two) each held in the Demerged Company"*

(Equity shares to be issued by the Resulting Company as above are hereinafter referred to as "New Equity Shares").

11.2 In the event that the equity shares to be issued result in fractional entitlement, the Resulting Company shall not issue fractional shares to such shareholder but shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue





consolidated shares to a trustee (nominated by the Resulting Company in that behalf), who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at any time within a period of 90 days from the date of allotment of Resulting Company Shares, as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee.

- 11.3 The Resulting Company shall take necessary steps to increase, alter, or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.
- 11.4 The consideration to be issued and allotted under Clause 11.1 of the Scheme shall be in accordance with the applicable laws and regulations in force and contractual / other arrangement between parties, if any.
- 11.5 The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Resulting Company. The shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing shares of the Resulting Company.
- 11.6 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of section 42, section 62, if applicable, and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.





- 11.7 The consideration in the form of equity shares shall be issued and allotted by the Resulting Company in dematerialized form to all the shareholders of the Demerged Company holding shares in dematerialized form and in physical form to all those shareholders of the Demerged Company holding shares in physical form.
- 11.8 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 (the New Equity Shares of Resulting Company) to trading in terms of SEBI Circular read with other Applicable Laws (as amended from time to time). The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 11.9 The equity shares allotted pursuant to this Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of Resulting Company between Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 11.10 The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the appropriate authorities including the Reserve Bank of India, for the issue and allotment of Equity Shares of the Resulting Company by to non-resident equity shareholders of the Demerged Company, if any, in terms of the Applicable Laws, including rules and regulations applicable to foreign investment.





## 12. ACCOUNTING TREATMENT

### 12.1 In the books of the Demerged Company

The Demerged Company shall account for the demerger of Demerged Undertakings in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, in its books of accounts from the Appointed Date, such that:

12.1.1 All the assets and the liabilities of the Demerged Undertakings as appearing in the books of accounts of the Demerged Company shall stand transferred to and vested in the Resulting Company pursuant to the Scheme and shall be reduced from the respective book value of assets and liabilities of the Demerged Company;

12.1.2 The difference, if any, between the book value of assets of the Demerged Undertakings of the Demerged Company transferred to Resulting Company less the book value of the liabilities of the Demerged Undertakings of the Demerged Company transferred to the Resulting Company, shall be adjusted against Capital Reserve, General Reserve and Retained Earnings.

### 12.2 In the books of the Resulting Company

Upon coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company shall account for the Demerged Undertaking in its books as per the applicable accounting principles under Indian Accounting Standard 103 and/ or any other applicable Indian Accounting Standard as the case maybe;

12.2.1 The Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in it pursuant to this





Scheme, at the same value appearing in the books of the Demerged Company;

12.2.2 The shareholding represented by equity shares of the Demerged Company in the Resulting Company as on the Appointed Date will stand cancelled and the difference between the above and share capital of Resulting Company, if any, shall be adjusted in capital reserve(s);

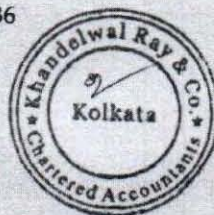
12.2.3 The Resulting Company shall credit its share capital account in its books of account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company pursuant to Clause 11 of this Scheme;

12.2.4 The identity of the reserves pertaining to the Demerged Undertaking of the Demerged Company shall be preserved and shall appear in the financial statements of the Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company;

12.2.5 The surplus/ deficit, if any, of book value of the assets over the liabilities pertaining to the Demerged Undertaking transferred from the Demerged Company and recorded by the Resulting Company in accordance with Clause 12.2.1 above, over the amount credited as share capital as per Clause 12.2.2 above, and after giving effect to 12.2.4 above, shall be adjusted in capital reserve;

12.2.6 Loans and advances and other dues outstanding as on the Appointed Date between the Demerged Company pertaining to the Demerged Undertaking and the Resulting Company will stand cancelled and there shall be no further obligation/ outstanding in that behalf;

12.2.7 In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference till the Appointed





Date shall be adjusted in capital reserves of the Resulting Company, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy;

**13. BOOKS AND RECORDS OF THE DEMERGED COMPANY**

All books, records, files, papers, engineering and process information, building plans, business plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, except the Demerged Undertaking and pertaining to the Remaining Business of the Demerged Company, to the extent possible and permitted under Applicable Laws, shall continue to be with the Demerged Company.

**14. BOOKS AND RECORDS OF THE RESULTING COMPANY**

All books, records, files, papers, engineering and process information, building plans, business plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Demerged Undertaking, to the extent possible and permitted under Applicable Laws, be handed over by the Demerged Company to the Resulting Company.

**15. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE**

With effect from the Appointed Date and up to and including the Effective Date:

- 15.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Demerged Undertaking for and on account of and in trust for Resulting Company. The Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.





- 15.2 The Demerged Company shall carry on and be deemed to have carried on its businesses and activities relating to the Demerged Undertaking and shall stand possessed of its entire business and undertakings, in trust for the Resulting Company and shall account for the same to the Resulting Company. The Demerged Company hereby undertakes to hold the said assets of the Demerged Undertaking with utmost prudence until the Effective Date.
- 15.3 The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Resulting Company, alienate charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking or part thereof.
- 15.4 All the profits or income accruing or arising to the Demerged Company or expenditure or losses arising or incurred or suffered by the Demerged Company pertaining to the Demerged Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.
- 15.5 The Demerged Company shall not vary the terms and conditions of employment of any of the employees of the Demerged Company pertaining to the Demerged Undertaking, if any, except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company, as the case may be, prior to the Appointed Date.





**PART C**

**CANCELLATION AND REDUCTION OF PAID UP SHARE CAPITAL OF  
THE RESULTING COMPANY**

**16. CANCELLATION AND REDUCTION OF PAID UP SHARE CAPITAL OF  
THE RESULTING COMPANY**

- 16.1 Upon the Scheme becoming effective and upon the allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with provisions of Clause 11 above, the existing paid up equity share capital of the Resulting Company held by the Demerged Company as on Effective Date shall stand cancelled without any further act or deed immediately and without any consideration and accordingly, the paid up share capital of the Resulting Company shall stand reduced to the extent of face value of such equity shares cancelled.
- 16.2 The amount of paid up equity share capital of the Resulting Company cancelled as per Clause 16.1 above shall be credited to the capital reserve account in the books of the Resulting Company.
- 16.3 The cancellation and reduction in paid up share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 230 to 232 read with section 66 of the Act and any other applicable provisions of the Act. The reduction would not involve either a diminution in liability in respect of the unpaid share capital, it being clarified that the procedure under Section 66 of the Act shall not be applicable in view of the Explanation to Section 230(12) of the Act. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.





**PART D**  
**GENERAL TERMS AND CONDITIONS**

**17. APPLICATION TO NCLT**

The Demerged Company and the Resulting Company shall, as may be required, make applications and/or petitions under Sections 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Act to the NCLT or such other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

**18. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 18.1 On behalf of the Demerged Company and the Resulting Company, the Board of Directors of respective companies, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Board of Directors of the Demerged Company and the Resulting Company) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 18.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Company and the Resulting Company, may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.





## 19. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 19.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of Demerged Company and Resulting Company as may be directed by the NCLT or any other authority;
- 19.2 The requisite consent, approval or permission of the NCLT or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- 19.3 The Scheme being sanctioned by the NCLT or any other authority under section 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013; and
- 19.4 Certified or authenticated copy of the Order of the NCLT or any other authority sanctioning the Scheme being filed with the Registrar of Companies by the Demerged Company and the Resulting Company.

## 20. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.



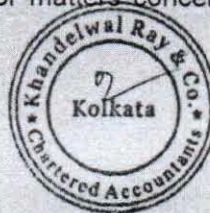


## 21. DIVIDENDS

- 21.1 The Demerged Company/ Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.
- 21.2 The holders of the shares of the Demerged Company/ 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.
- 21.3 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/ Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company/ Resulting Company and subject to the approval of the shareholders of the Demerged Company/ Resulting Company respectively, if applicable.

## 22. REMOVAL OF DIFFICULTIES

The Demerged Company and the Resulting Company may, through mutual consent and acting through the respective board of directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or any directives or orders of any governmental authorities or otherwise arising out of, under or by the virtue of this scheme in relation to the arrangement contemplated in this scheme and / or matters concerning or connected therewith.





**23. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Demerged Company and the Resulting Company equally.

**Certified True Copy**

For Rossell India Limited

Director (Finance) and Company Secretary

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