COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

(UNDER SECTIONS 230-232 READ WITH SECTION 52 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS AND RULES THEREUNDER)

AMONGST

PRISM JOHNSON LIMITED

(Formerly known as PRISM CEMENT LIMITED)

AND

H. & R. JOHNSON (INDIA) TBK LIMITED

AND

MILANO BATHROOM FITTINGS PRIVATE LIMITED

AND

SILICA CERAMICA PRIVATE LIMITED

AND

TBK RANGOLI TILE BATH KITCHEN PRIVATE LIMITED

AND

TBK VENKATARAMIAH TILE BATH KITCHEN PRIVATE LIMITED

AND

TBK SAMIYAZ TILE BATH KITCHEN PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. PREAMBLE

This composite scheme of arrangement and amalgamation is presented pursuant to the provisions of the 2013 Act (*defined in Part I below*) for the restructuring of the businesses of Prism Johnson Limited (**"PJL"**) (Formerly Prism Cement Limited), H. & R. Johnson (India) TBK Limited (**"HRJ TBK"**), Milano Bathroom Fittings Private Limited (**"Milano"**), Silica Ceramica Private Limited (**"Silica"**), TBK Rangoli Tile Bath Kitchen Private Limited (**"TBK Rangoli"**), TBK Venkataramiah Tile Bath Kitchen Private Limited (**"TBK Venkat"**), TBK Samiyaz Tile Bath Kitchen Private Limited (**"TBK Samiyaz"**), on a going concern basis, including:

(1) the demerger of Part III Demerged Undertakings (*defined in Part I below*) of TBK Rangoli, TBK Venkat & TBK Samiyaz [*in terms of Part III of the Scheme*] and vesting them into HRJ TBK;

(2) the demerger of Part IV Demerged Undertaking (*defined in Part I below*) [*in terms of Part IV of the Scheme*] of HRJ TBK and vesting it into PJL;

(3) the reduction of share capital of Silica [*in terms of Part V of the Scheme*];

(4) the amalgamation of Milano and Silica [*in terms of Part VI of the Scheme*] with PJL.

The composite scheme of arrangement and amalgamation involves holding company and its wholly owned subsidiaries.

B. BACKGROUND OF THE COMPANIES

1. Prism Johnson Limited ("PJL")

(a) PJL (CIN:L26942TG1992PLC014033) (PAN AAACP6224A) (formerly known as Prism Cement Limited) is a public company limited by shares incorporated on 26th March 1992 under the provisions of the 1956 Act (*defined in Part I below*). The registered office of PJL is situated at 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad- 16, Telangana- 500016.

(b) PJL is one of India's leading integrated building materials' company, with a wide range of products from cement, ready-mixed concrete, tiles and bathroom products.

(c) The equity shares of PJL are listed on BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE") in India and its non-convertible debentures are listed on BSE.

2. H. & R. Johnson (India) TBK Limited ("HRJ TBK")

(a) HRJ TBK (CIN: U45200MH1996PLC101892) (PAN AAACV4081H), an unlisted public company limited by shares incorporated on 16th August, 1996 under the provisions of the 1956 Act, is engaged, *interalia*, directly / indirectly through its

subsidiaries and associates in retail/trading in tiles, bathroom fittings and kitchens & branded tiles display unit. It also provides support services. HRJ TBK is a wholly owned subsidiary of PJL.

(b) The registered office of HRJ TBK is situated at Windsor, 7th Floor, CST Road Kalina, Santa Cruz (E) Mumbai, Maharashtra – 400098.

3. **Milano Bathroom Fittings Private Limited ("Milano")**

(a) Milano (CIN: U28994HP2000PTC006251) (PAN AAFCS5482A), a private company limited by shares incorporated on 8th March, 2000 under the provisions of the 1956 Act, is engaged in the business of manufacturing of taps and fittings. Milano is a wholly owned subsidiary of PJL.

(b) The registered office of Milano is situated at Plot No. 30 Industrial Township Phase 4, Himuda, Bhatoli Kalan BaddiSolan Himachal Pradesh – 173205.

4. **Silica Ceramica Private Limited ("Silica")**

(a) Silica (CIN: U26933AP2006PTC051977) (PAN AAKCS8463N), a private company limited by shares incorporated on 12th December, 2006 under the provisions of the 1956 Act, is engaged in the business of manufacturing of ceramic vitrified tiles and glazed vitrified tiles. Silica is a wholly owned subsidiary of PJL.

(b) The registered office of Silica is situated at Narayanapuram Unguturu Mandal Narayanapuram, Andhra Pradesh – 534407.

5. **TBK Rangoli Tile Bath Kitchen Private Limited ("TBK Rangoli")**

(a) TBK Rangoli (CIN: U74120MH2010PTC209550) (PANAADCT6327R), a private company limited by shares incorporated on 28th October, 2010 under the provisions of the 1956 Act, is engaged in the business of retail/ trading of tiles, bathroom fittings & kitchens. TBK Rangoli is a wholly owned subsidiary of HRJ TBK.

(b) The registered office of TBK Rangoli is situated at Ground Floor, Kaddiya Wadi, Azad Road Near Fire Brigade Station, Vile Parle (East) Mumbai, Maharashtra – 400057.

6. **TBK Venkataramiah Tile Bath Kitchen Private Limited ("TBK Venkat")**

(a) TBK Venkat (CIN: U26900KA2010PTC056306) (PANAADCT6930E), a private company limited by shares incorporated on 21st December, 2010 under the provisions of the 1956 Act, is engaged in the business of retail/trading of tiles, bathroom fittings & kitchens. TBK Venkat is a wholly owned subsidiary of HRJ TBK.

(b) The registered office of TBK Venkat is situated at No.56 A, Ramamurthy Nagar Main Road, Dodda Banaswadi Opp, New Baldwin Residential School, Bangalore,

Karnataka – 560043.

7. **TBK Samiyaz Tile Bath Kitchen Private Limited ("TBK Samiyaz")**

(a) TBK Samiyaz (CIN: U26916MH2007PTC176528) (PAN AACCT8691B), a private company limited by shares incorporated on 6th December, 2007 under the provisions of the 1956 Act, is engaged in the business of retail/trading of tiles, bathroom fittings & kitchens. TBK Samiyaz is a wholly owned subsidiary of HRJ TBK.

(b) The registered office of TBK Samiyaz is situated at G 5-10 Ground Floor, Plot no. 6, Savita Raj Complex, Kala Manak Flat Owners Society, CIDCO, New Aurangabad, Maharashtra– 431003.

C. RATIONALE

1. This Scheme (*defined in Part I below*) is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the companies which are parties to this Scheme, their respective shareholders, lenders, employees and other stakeholders. The Scheme is proposed with a view to achieve the following benefits:

(a) the proposed Scheme would result in elimination of multiple operating companies' structure of PJL and thereby would result in consolidation of retail/trading business of certain wholly owned subsidiaries and step-down subsidiaries of PJL into a single entity, i.e. PJL;

(b) the proposed Scheme would result in simplification of operating structure under common management which would lead to elimination of duplicative communication and coordination efforts across multiple entities;

(c) the consolidation of business would lead to better, efficient and economical cost management, cost savings, pooling of resources, optimum utilisation of resources, rationalisation of administrative expenses/services;

(d) the consolidation of business would lead to synergies in operational process and logistics alignment, creating better synergy, better utilisation of human resources and further development and growth of business via a single entity, PJL;

(e) the single entity i.e. PJL would have increased capability for offering products and services by virtue of its enhanced resource base and deeper client relationship, resulting better business potential and prospects for the entity.

(f) the proposed Scheme would help PJL in sharpening its competitiveness and development of long term internal and core competencies through cost savings and benefit of economies of scale unlocked to PJL.

(g) the proposed Scheme will augment the manufacturing footprint and capabilities

of PJL, by increasing the scale of manufacturing operations and bettering capacity utilisation of PJL, thereby helping in rationalising the number of vendors, aggregating the purchases and managing the supply chain more effectively and efficiently.

(h) the proposed Scheme for consolidation of retail/trading business will also simplify the forward supply chain and management of customers and bring better sales and marketing synergies.

(i) thus, this Scheme, as envisaged, is in the interest of the shareholders, creditors, employees, and other stakeholders of each of the companies by pursuing a focused business approach under a single entity, thereby resulting in overall maximization of value creation of all the stakeholders involved.

2. The respective Board of Directors (*defined in Part I below*) of PJL, HRJ TBK, Milano, Silica, TBK Venkat, TBK Rangoli and TBK Samiyaz, at their respective meetings held on 23rd Oct, 2019, after detailed deliberation and consideration, have propounded this Scheme and have approved Demerger 1 *(defined in Part I below)*, Demerger 2 *(defined in Part I below)*, reduction of share capital*(as per Part V below)* and Amalgamation *(defined in Part I below)* as integral and composite parts of the Scheme in the sequence as provided hereinafter.

D. GENERAL

3. This Scheme is divided into the following parts:

(a) **Part I** provides for the definitions and interpretations;

(b) **Part II** provides for the capital structure of PJL, HRJ TBK, Milano, Silica, TBK Rangoli, TBK Venkat & TBK Samiyaz;

(c) **Part III** provides for the demerger and vesting of Part III Demerged Undertakings (as defined below in Part I below) of TBK Rangoli, TBK Venkat & TBK Samiyaz respectively into HRJ TBK.

(d) **Part IV** provides for the demerger and vesting of Part IV Demerged Undertaking (as defined below in Part I below) (after giving effect to Part III of the Scheme) of HRJ TBK into PJL.

(e) **Part V** provides for reduction of share capital of Silica in accordance with Sec 52 and other applicable provisions of 2013 Act.

(f) **Part VI** provides for the amalgamation of Milano & Silica (after giving effect to Part IV & Part V of the Scheme) with PJL.

(g) **Part VII** deals with other general terms and conditions as applicable to the Scheme.

PART I – DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS AND INTERPRETATIONS

1.1. In this Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given against them:

"1956 Act" means the Companies Act, 1956 and the rules and regulations made thereunder as may be applicable;

"2013 Act" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

"Amalgamating Company 1" means Milano Bathroom Fittings Private Limited ("Milano"), a wholly owned subsidiary of PJL. The registered office of Milano is situated at Plot No. 30 Industrial Township Phase 4, Himuda, Bhatoli Kalan Baddi Solan Himachal Pradesh – 173205.

"Amalgamating Company 2" means Silica Ceramica Private Limited ("Silica"), a wholly owned subsidiary of PJL. The registered office of Silica is situated at Narayanapuram Unguturu Mandal Narayanapuram, Andhra Pradesh – 534407.

"Amalgamating Companies" collectively means Amalgamating Company 1 and Amalgamating Company 2;

"Amalgamated Company" or "Resulting Company 2" means Prism Johnson Limited ("PJL"), a listed public company, and having its registered office at 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad-16, Telangana – 500016.

For all practical purposes, (i) in relation to the Amalgamation of Milano & Silica with PJL pursuant to Part VI of the Scheme, PJL shall be referred as **"Amalgamated Company"** and (ii) in relation to Demerger 2 pursuant to Part IV of the Scheme, PJL shall be referred as **"Resulting Company 2"**.

"Amalgamation" means the amalgamation of the Amalgamating Company 1 & Amalgamating Company 2 with the Amalgamated Company on going concern basis, in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Part VI of the Scheme;

"Applicable Laws" shall mean any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;

"Appointed Date" means April 1,2018 or such other date as the NCLT may decide/ approve, being the date with effect from which Parts III, IV, V& VI of the Scheme shall become operative and / or be deemed to have become operative, in the same sequential order as stated herein;

"Appropriate Authority" means any governmental body (central, state or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including the National Company Law Tribunals, the Stock Exchanges, the Securities and Exchange Board of India ("**SEBI**"), Income Tax authorities and other applicable authorities to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body, or other organization have the force of law as may be relevant in the context;

"**Board of Directors**" or "**Board**" in relation to PJL, HRJ TBK, Milano, Silica, TBK Rangoli, TBK Venkat & TBK Samiyaz as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

"**CIN**" means Corporate Identity Number issued by the Registrar of Companies;

"**Demerged Company 1**" means TBK Rangoli Tile Bath Kitchen Private Limited ("TBK Rangoli"), a private company limited by shares incorporated on 28th October, 2010 under the provisions of the 1956 Act and having its registered office at Ground Floor, Kaddiya Wadi, Azad Road Near Fire Brigade Station, Vile Parle (East) Mumbai, Maharashtra - 400057.

"**Demerged Company 2**" means TBK Venkataramiah Tile Bath Kitchen Private Limited ("TBK Venkat"), a private company limited by shares incorporated on 21st December, 2010 under the provisions of the 1956 Act and having its registered office at No.56 A, Ramamurthy Nagar Main Road, Dodda Banaswadi Opp, New Baldwin Residential School, Bangalore, Karnataka – 560043.

"**Demerged Company 3**" means TBK Samiyaz Tile Bath Kitchen Private Limited ("TBK Samiyaz"), a private company limited by shares incorporated on 6th December, 2007 under the provisions of the 1956 Act and having its registered office at G 5-10, Ground Floor, Plot no. 6, Savita Raj Complex, Kala Manak Flat Owners Society, CIDCO New Aurangabad MH 431003.

"Demerged Company 4" or **"Part IV Demerged Company"** or **"Resulting Company 1"** means H. & R. Johnson (India) TBK Limited ("HRJ TBK"), a public company limited by shares incorporated on 16th August, 1996 under the provisions of the 1956 Act and having its registered office at Windsor, 7th Floor, CST Road Kalina, Santa Cruz (E) Mumbai, Maharashtra – 400098.

For all practical purposes, (i) in relation to Demerger 2 pursuant to Part IV of the Scheme, HRJ TBK shall be referred as "Demerged Company 4" or "Part IV Demerged Company" and (ii) in relation to Demerger 1 pursuant to Part III; HRJ TBK shall be referred as "Resulting Company 1".

"Demerger 1" means transfer and vesting of the Part III Demerged Undertakings (defined hereinafter) of Part III Demerged Companies (defined hereinafter) to the Resulting

Company 1 on going concern basis, in terms of Section 2(19AA) of the Income Tax Act, as provided in Part III of the Scheme;

"Demerger 2" means transfer and vesting of the Part IV Demerged Undertaking of Part IV Demerged Company to the Resulting Company 2 (defined hereinafter), on a going concern basis, in terms of Section 2(19AA) of the Income Tax Act, as provided in Part IV of the Scheme;

"Demerged Undertaking 1" means the business of retail/trading in tiles, bathroom fittings & kitchen of TBK Rangoli comprising, *inter -alia*, of all its properties, assets, liabilities, permits, licences, registrations, approvals, contracts and employees, on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act, including the following:

(a) all the assets and movable properties, wherever situated, whether tangible or intangible, absolute, accrued, fixed or otherwise, including property, intangible assets, loans, securities, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with or relatable to the demerging business and all other permissions, rights (including rights under any contracts, memoranda of understanding, etc.), goodwill and other intangible items (whether or not recorded in the books of Demerged Company 1), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the demerging business, and all deposits, advances and/or moneys paid/ received to/ by the demerging business , all statutory licenses and / or permissions to carry on the operations of the demerging business and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the demerging business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of TBK Rangoli in respect of its Business, minimum alternate tax credit, all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services,

provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the demerging business;

(b) all rights and obligations relating to the demerging business including the receivables, the credits and the loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, under the customer contracts and the rights and interest of the demerging business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;

(c) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relatable to the demerging business;

(d) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under Section 115JB of the Income tax Act, in connection with or relatable to the demerging business. Investments pertaining to the demerging business, securitised assets, earnest moneys and / or security deposits paid or received to/by TBK Rangoli, directly or indirectly in connection with or relating to the demerging business and where the amount of any entitlement, credit set off or carry forward balance relating directly or indirectly to the demerging business cannot be separately identified, the same shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of the demerging business to the total assets of TBK Rangoli as on the Appointed Date;

(e) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 1 or proceedings or investigations to which Demerged Company 1 is party to, that pertain to Demerged Undertaking 1, whether pending/ongoing as on the Effective Date or which may be instituted any time in the future;

(f) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the demerging business;

(g) all the existing insurance policies including benefits thereof pertaining to the demerging business;

(h) all permanent and / or temporary employees, workmen, staff, contract staff of demerging business engaged in directly or exclusively for the demerging business and those permanent and / or temporary employees that are determined by the board of directors, to be engaged in or relatable to the demerging business;

(i) all liabilities (including liabilities, allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relatable to the demerged business, provided however that amounts of general or multipurpose borrowings, if any, of the Demerged Company 1 will be apportioned basis the proportion of the value of the assets transferred in demerger of Demerged Undertaking 1 to the total value of the assets of the Demerged Company 1 as on the Appointed Date;

"Demerged Undertaking 2" means the business of retail/trading in tiles, bathroom fittings & kitchen of TBK Venkat comprising, *inter -alia*, of all its properties, assets, liabilities, permits, licences, registrations, approvals, contracts and employees on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act, including the following:

(a) all the assets and movable properties, wherever situated, whether tangible or intangible, absolute, accrued, fixed or otherwise, including property, intangible assets, loans, securities, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with or relatable to the demerging business and all other

permissions, rights (including rights under any contracts, memoranda of understanding, etc.), goodwill and other intangible items (whether or not recorded in the books of Demerged Company 2), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the demerging business, and all deposits, advances and/or moneys paid/ received to/ by the demerging business, all statutory licenses and / or permissions to carry on the operations of the demerging business and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the demerging business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of TBK Venkat in respect of its business, minimum alternate tax credit,all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the demerging business;

(b) all rights and obligations relating to the demerging business including the receivables, the credits and the loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, under the customer contracts and the rights and interest of the demerging business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;

(c) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing

agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relatable to the demerging business;

(d) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under Section 115JB of the Income tax Act, in connection with or relatable to the demerging business. Investments pertaining to the demerging business, securitised assets, earnest moneys and / or security deposits paid or received to/by TBK Venkat, directly or indirectly in connection with or relating to the demerging business and where the amount of any entitlement, credit set off or carry forward balance relating directly or indirectly to the demerging business cannot be separately identified, the same shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of the demerging business to the total assets of TBK Venkat as on the Appointed Date;

(e) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 2 or proceedings or investigations to which Demerged Company 2 is party to, that pertain to Demerged Undertaking 2, whether pending/ongoing as on the Effective Date or which may be instituted any time in the future;

(f) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the demerging business;

(g) all under the existing insurance policies including benefits thereof pertaining to the demerging business;

(h) all permanent and / or temporary employees, workmen, staff, contract staff of demerging business engaged in directly or exclusively for the demerging business and those permanent and / or temporary employees that are determined by the board of directors, to be engaged in or relatable to the demerging business;

(i) all liabilities (including liabilities, allocable as per this Scheme, if any) present and

future, corporate guarantees issued and the contingent liabilities pertaining to or relatable to the demerged business, provided however that amounts of general or multipurpose borrowings, if any, of the Demerged Company 2 will be apportioned basis the proportion of the value of the assets transferred in demerger of Demerged Undertaking 2 to the total value of the assets of the Demerged Company 2 as on the Appointed Date;

"Demerged Undertaking 3" means the business of retail/trading in tiles, bathroom fittings & kitchen of TBK Samiyaz comprising, *inter-alia*, of all its properties, assets, liabilities, permits, licences, registrations, approvals, contracts and employees on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act, including the following:

(a) all the assets and movable properties, wherever situated, whether tangible or intangible, absolute, accrued, fixed or otherwise, including property, intangible assets, loans, securities, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with or relatable to the demerging business and all other permissions, rights (including rights under any contracts, memoranda of understanding, etc.), goodwill and other intangible items (whether or not recorded in the books of Demerged Company 3), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the demerging business, and all deposits, advances and/or moneys paid/ received to/ by the demerging business, all statutory licenses and / or permissions to carry on the operations of the demerging business and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the demerging business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of TBK Samiyaz in respect of its Business, minimum alternate tax credit, all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection

with or relating to the demerging business;

(b) all rights and obligations relating to the demerging business including the receivables, the credits and the loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, under the customer contracts and the rights and interest of the demerging business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;

(c) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relatable to the demerging business;

(d) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under Section 115JB of the Income tax Act, in connection with or relatable to the demerging business. Investments pertaining to the demerging business, securitised assets, earnest moneys and / or security deposits paid or received to/by TBK Samiyaz, directly or indirectly in connection with or relating to the demerging business and where the amount of any entitlement, credit set off or carry forward balance relating directly or indirectly to the demerging business cannot be separately identified, the same shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of the demerging business to the total assets of TBK Samiyaz as on the Appointed Date;

(e) all legal (whether civil or criminal), taxation or other proceedings or investigations

of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 3 or proceedings or investigations to which Demerged Company 3 is party to, that pertain to Demerged Undertaking 3, whether pending/ongoing as on the Effective Date or which may be instituted any time in the future;

(f) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the demerging business;

(g) all benefits under the existing insurance policies including benefits thereof pertaining to the demerging business;

(h) all permanent and / or temporary employees, workmen, staff, contract staff of demerging business engaged in directly or exclusively for the demerging business and those permanent and / or temporary employees that are determined by the board of directors, to be engaged in or relatable to the demerging business;

(i) all liabilities (including liabilities, allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relatable to the demerged business, provided however that amounts of general or multipurpose borrowings, if any, of the Demerged Company 3 will be apportioned basis the proportion of the value of the assets transferred in demerger of Demerged Undertaking 3 to the total value of the assets of the Demerged Company 3 as on the Appointed Date;

"Demerged Undertaking 4"or **"Part IV Demerged Undertaking"** means the business of retail/trading in tiles, bathroom fittings & kitchens business of HRJ TBK (including Part III Demerged Undertakings vested upon Demerger 1) undertaken directly and through its joint ventures pursuant to its holdings in such joint venture companies comprising, *inter - alia*, of its the properties, assets, investments, liabilities, permits, licences, registrations, approvals, contracts and employees on a going concern basis, representing an undertaking in compliance with Explanation 1 to Sec. 2(19AA) of the Income Tax Act, including the following:

(a) all the assets and movable properties, wherever situated, whether tangible or intangible, absolute, accrued, fixed or otherwise, including property, intangible assets, loans, securities, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, accounts and notes receivable, plant and machinery, vehicles, offices, investments, interest, capital, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, licenses, approvals, registrations, right to use all branches along with all the assets used therein, incentives (if any), rights as licensee or lessee, municipal permissions, regulatory

permissions, consents, or powers of every kind, nature and description whatsoever, in each case in connection with or relatable to the demerging business and all other permissions, rights (including rights under any contracts, memoranda of understanding, etc.), goodwill and other intangible items (whether or not recorded in the books of Demerged Company 4), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature and all other interest exclusively relating to the services being dealt with by the demerging business, and all deposits, advances and/or moneys paid/ received to/ by the demerging business, all statutory licenses and / or permissions to carry on the operations of the demerging business and any financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, receivables and liabilities related thereto, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, in each case in relation to and for the benefit of the demerging business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, taxes deducted at source and taxes collected at source including certificate received and amount appearing in Form 26AS in the name of HRJ TBK in respect of its demerging business, minimum alternate tax credit,all tax holidays and exemptions, benefits under the value added tax, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.) all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the demerging business;

(b) all rights and obligations relating to the demerging business including the receivables, the credits and the loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposit with any Appropriate Authority including any tax authority, quasi government, local or other authority or body or with any company or other person, under the customer contracts and the rights and interest of the demerging business to the security and / or collateral provided in relation to the customer contracts. It is clarified that for the purpose of determining the tenure of customer contracts / receivables, the original date of the contract will be the relevant date for the purposes of all relevant requirements;

(c) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing

agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relatable to demerging business;

(d) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, all entitlements to tax and other credits, set offs, carry forward balances including, in particular, entitlement to credit pertaining to taxes paid under Section 115JB of the Income tax Act, in connection with or relatable to the demerging business. Investments pertaining to the demerging business, securitised assets, earnest moneys and / or security deposits paid or received to/by HRJ TBK, directly or indirectly in connection with or relating to the demerging business and where the amount of any entitlement, credit set off or carry forward balance relating directly or indirectly to the demerging business cannot be separately identified, the same shall be deemed to be the proportion of such entitlement, credit, set off or carry forward balance as the proportion of the book value of the assets of the demerging business to the total assets of HRJ TBK as on the Appointed Date;

(e) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) initiated by or against Demerged Company 4 or proceedings or investigations to which Demerged Company 4 is party to, that pertain to Demerged Undertaking 4, whether pending/ongoing as on the Effective Date or which may be instituted any time in the future;

(f) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the demerging business;

(g) all under the existing insurance policies including benefits thereof pertaining to the demerging business;

(h) all permanent and / or temporary employees, workmen, staff, contract staff of demerging business engaged in directly or exclusively for the demerging business and those permanent and / or temporary employees that are determined by the board of directors, to be engaged in or relatable to the demerging business;

(i) all liabilities (including liabilities, allocable as per this Scheme, if any) present and future, corporate guarantees issued and the contingent liabilities pertaining to or relatable to the demerged business, provided however that amounts of general or multipurpose borrowings, if any, of the Demerged Company 4 will be apportioned basis the proportion of the value of the assets transferred in demerger of Demerged Undertaking 4 to the total value of the assets of the Demerged Company 4 as on the Appointed Date;

Notwithstanding the generality of the above, the assets & liabilities forming part of Part IV Demerged Undertakings is set out in Schedule 1 hereto.

"Effective Date" shall mean the date on which the last of all the conditions and matters referred to in Clause 44 have been fulfilled, obtained or waived. References in this Scheme to date of 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date;

"Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly;

"Income Tax Act" means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force and rules and regulations, circulars, and notifications issued thereunder, each as amended from time to time and to extent in force;

"**IND AS**" means the Indian Accounting Standards prescribed under Section 133 of the Act as notified under the Companies (Indian Accounting Standard) Rules, 2015;

"Legal Proceedings" means proceedings of whatsoever nature, civil or criminal, including any notices, disputes, suits, actions, appeals, arbitrations, execution proceedings, revisions, writ petitions, suits and taxation proceedings, pending before any statutory or quasi-judicial authority or tribunal or any proceedings of whatsoever nature;

"Liabilities" means all present and future liabilities including contingent liabilities, secured and unsecured debts (whether in Indian rupees or foreign currency), duties and obligations or obligations of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any Encumbrance, including any bank guarantees thereon;

"NCLT" means the bench of the National Company Law Tribunal at Hyderabad, Mumbai, Chandigarh, Amravati and Bengaluru, as applicable, including Principal Bench of National Company Law Tribunal at New Delhi and shall include, if applicable, such other forum or authority as may be vested with the powers of a National Company Law Tribunal under the 2013 Act;

"**NCLT Sanction Order / Order**" means the order of the NCLT sanctioning this Scheme under Sections 230 to 232 read with Section 52 of the 2013 Act and other applicable provisions of the 2013 Act, including any alteration, modification, amendment made

thereto and supplementary orders/directions in relation thereto;

"**Part III Demerged Companies**" collectively means Demerged Company 1, Demerged Company 2 and Demerged Company 3;

"Part III Demerged Undertakings" collectively means Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3 and notwithstanding the generality of the definitions of these terms, the assets & liabilities forming part of Part III Demerged Undertakings is set out in Schedule 2 hereto.

"PAN" means Permanent Account Number issued by the Income Tax department.

"Registrar of Companies" means the Registrar of Companies, at Hyderabad, Mumbai, Himachal Pradesh and Bangalore, as may be applicable;

"Scheme" or "the Scheme" or **"this Scheme"** or "**draft Scheme**" means this Composite Scheme of Arrangement and Amalgamation pursuant to Sec 230 to 232 read with Sec 52 of 2013 Act and other applicable provisions thereunder, in its present form submitted to NCLT or any other Appropriate Authority with any modification(s) thereto as the Board or NCLT or any other Appropriate Authority may require, direct or approve;

"**Stock Exchanges**" means Bombay Stock Exchange Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") where the equity shares and non-convertible debentures of PJL are listed;

1.2. All terms and words used but 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 2013 Act, as applicable, the Income Tax Act and other Applicable Laws, rules, directions, guidelines, regulations, bye-laws, as the case may be or any statutory modification or re-enactment(s) thereof for the time being in force.

1.3. In this Scheme, unless the context otherwise requires:

(a) words denoting singular shall include plural and vice versa;

(b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

(c) references to the word "include" or "including" shall be construed without limitation;

(d) a reference to an article, clause, section or paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;

(e) unless otherwise defined, the reference to the word "days" shall mean calendar days;

(f) references to dates and times shall be construed to be references to Indian dates and times;

(g) reference to a document includes an amendment or supplement to, or replacement or novation of, that document;

(h) references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality);

(i) references to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally;

(j) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;

(k) any reference to any statute or statutory provision shall include:

i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

PART II – SHARE CAPITAL

2. SHARE CAPITAL

2.1. Prism Johnson Limited

The capital structure of PJL as on October 23, 2019is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
52,50,00,000 Equity shares of Rs. 10 each	52,500.00
Total	**52,500.00**
B. Issued, subscribed and paid-up Share Capital	**Amount (INR in Lakhs)**
Issued and subscribed	
50,33,56,580 Equity shares of Rs. 10 each	50,335.66
Total	**50,335.66**

The equity shares of PJL are listed on the Stock Exchanges. As on October 23, 2019, the promoters of PJL hold 74.87% of equity shareholding in PJL and the balance equity shareholding is held by the public shareholders.

2.2. H. & R. Johnson (India) TBK Limited

The capital structure of HRJ TBK as on October 23, 2019 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
5,00,000 Equity shares of Rs. 100 each	500.00
Total	**500.00**
B. Issued, subscribed and paid-up Share Capital	**Amount (INR in Lakhs)**
1,61,020 Equity shares of Rs. 100 each	161.02
Total	**161.02**

HRJ TBK is a wholly owned subsidiary of PJL.

2.3. Milano Bathroom Fittings Private Limited

The capital structure of Milano as on October 23, 2019 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
73,000 equity shares of Rs.100/- each	73.00
3,87,500 Preference shares of Rs. 100/- each	387.50
Total	**460.50**

B. Issued, subscribed and paid-up Share Capital	**Amount (INR in Lakhs)**
72,446 Equity shares of Rs. 100 each	72.45
2,00,000 Preference Shares of Rs. 100 each	200.00
Total	**272.45**

Milano is a wholly owned subsidiary of PJL.

2.4. Silica Ceramica Private Limited

The capital structure of Silica as on October 23, 2019 is as under:

A. Authorised Share Capital	**Amount (INR in Lakhs)**
12,16,10,000 equity shares of Rs.10/- each	12,161.00
Total	**12,161.00**
B. Issued, subscribed and paid-up Share Capital	**Amount (INR in Lakhs)**
12,16,08,283 Equity shares of Rs. 10 each	12,160.83
Total	**12,160.83**

Silica is a wholly owned subsidiary of PJL.

2.5. TBK Rangoli Tile Bath Kitchen Private Limited

The capital structure of TBK Rangoli as on October 23, 2019 is as under:

A. Authorised Share Capital	**Amount (INR in Lakhs)**
10,000 equity shares of Rs.10/- each	1.00
Total	**1.00**
B. Issued, subscribed and paid-up Share Capital	**Amount (INR in Lakhs)**
10,000 Equity shares of Rs. 10 each	1.00
Total	**1.00**

TBK Rangoli is a wholly owned subsidiary of HRJ TBK.

2.6. TBK Venkataramiah Tile Bath Kitchen Private Limited

The capital structure of TBK Venkat as on October 23, 2019 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
10,000 equity shares of Rs.10/- each	1.00
Total	**1.00**
B. Issued, subscribed and paid-up Share Capital	**Amount (INR in Lakhs)**
10,000 Equity shares of Rs. 10 each	1.00
Total	**1.00**

TBK Venkat is a wholly owned subsidiary of HRJ TBK.

2.7. TBK Samiyaz Tile Bath Kitchen Private Limited

The capital structure of TBK Samiyaz as on October 23, 2019 is as under:

C. Authorised Share Capital	Amount (INR in Lakhs)
83,000 equity shares of Rs.10/- each	8.30
Total	**8.30**
D. Issued, subscribed and paid-up Share Capital	**Amount (INR in Lakhs)**
83,000 Equity shares of Rs. 10 each	8.30
Total	**8.30**

TBK Samiyaz is a wholly owned subsidiary of HRJ TBK.

PART III – DEMERGER OF PART III DEMERGED UNDERTAKINGS OF PART III DEMERGED COMPANIES INTO RESULTING COMPANY 1

3. TRANSFER AND VESTING OF PART III DEMERGED UNDERTAKINGS OF PART III DEMERGED COMPANIES RESPECTIVELY INTO RESULTING COMPANY 1

3.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Part III Demerged Undertakings together with all their business and operations including all their assets and liabilities shall, pursuant to the provisions of Sections 230 to 232, and other relevant provisions of the 2013 Act, and in accordance with Section 2(19AA) of the Income Tax Act, without any further act, instrument or deed, be deemed to be demerged from Part III Demerged Companies and transferred to and vest in, or be deemed to be transferred to and vested in the Resulting Company 1, as a going concern on "as-is-where-basis", so as to become as and from the Appointed Date, the undertaking of the Resulting Company 1 by virtue of and in the manner provided in Part III of this Scheme.

3.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of Applicable Laws and the 2013 Act, all the consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), properties, claims, title, interest and authorities including accretions and appurtenances, powers of attorneys given by, issued to or executed in favour of Part III Demerged Companies, and the rights and benefits under the same shall, insofar as they relate to the Part III Demerged Undertakings and all quality certifications and approvals, trademarks, brand names, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods, services or any other assets being directly and exclusively dealt with by the Part III Demerged Undertakings shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, shall stand transferred to and vested in the Resulting Company 1. In respect of all the movable assets of Part III Demerged Companies in so far as they pertain to the Part III Demerged Undertakings and the other assets pertaining to Part III Demerged Undertakings which are otherwise capable of transfer to the Resulting Company 1 shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery or by constructive delivery, as the case may be, to the Resulting Company 1 to the end and intent that the property and benefit therein passes to the Resulting Company 1 with effect from the Appointed Datewithout requiring any deed or instrument of conveyance for transfer of the same. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Board of Directors of Part III Demerged Companies and the Resulting Company 1 by way of delivery of possession of the respective documents, as a part of the transfer of the Part III Demerged Undertakings as a going concern. In respect of any intangible and moveable assets of Part III Demerged Companies pertaining to the Part III Demerged Undertakings, other than those mentioned hereinabove, and actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with any Appropriate Authority and customers, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company 1. The Resulting Company 1 may, issue notices in such form as the Resulting

Company 1 may deem fit and proper stating that pursuant to the Scheme becoming effective, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company 1 , as the person entitled thereto, to the end and intent that the right of Part III Demerged Companies to recover or realize the same stands transferred to the Resulting Company 1 and that appropriate entries shall be passed in their respective books to record the aforesaid changes.

3.3. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all the various incentives, goods and services tax benefits, all tax holiday, deductions under the Income Tax Act, subsidies (including applications for subsidies), grants, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority or by any other person, or availed of by Part III Demerged Companies are concerned, the same shall, without any further act or deed, in so far as they relate to the Part III Demerged Undertakings , vest with and be available to the Resulting Company 1 on the same terms and conditions. All intangible assets including various business or commercial rights, etc., if any, belonging to but not recorded in books of Part III Demerged Companies pertaining to Part III Demerged Undertakings, shall be transferred to and vested with Resulting Company 1.

3.4. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts and Liabilities of the Part III Demerged Companies pertaining to the Part III Demerged Undertakings shall, pursuant to the applicable provisions of 2013 Act and the provisions of this Scheme and, without any further act or deed, become the debts and Liabilities of the Resulting Company 1, and Resulting Company 1 shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts and Liabilities have arisen in order to give effect to the provisions of this clause. The amounts of general or multipurpose borrowings, if any, of the Part III Demerged Companies will be apportioned on the basis of the proportion of the value of the assets transferred in Demerger 1 of Part III Demerged Undertakings to the total value of the assets of the Part III Demerged Companies immediately before the Demerger 1.

3.5. Where any of the Liabilities of the Part III Demerged Undertakings, as on the Appointed Date deemed to be transferred to the Resulting Company 1 have been discharged by Part III Demerged Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company 1.

3.6. All inter-se liabilities, between Part III Demerged Companies pertaining to Part III Demerged Undertakings respectively and Resulting Company 1, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Resulting Company 1.

3.7. It is expressly clarified that in case any question that may arise as to whether any particular asset or liability pertains or does not pertain to the Part III Demerged Undertakings of the

Part III Demerged Companies, or whether it arises out of the activities or operations of the Part III Demerged Undertakings, the same shall be decided by mutual agreement between Board of Directors of the Part III Demerged Companies and that of Resulting Company 1.

3.8. The Demerger 1 and the transfer and vesting of the assets shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided:

(a) The Encumbrances or those, if any, in terms of this Scheme, over the assets comprised in Part III Demerged Undertakings, or any part thereof transferred to the Resulting Company 1, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached to, prior to the Effective Date and such Encumbrances shall not relate to or attach to any of the other assets of Resulting Company 1.

(b) In so far as any Encumbrances over the assets comprised in the Part III Demerged Undertakings are security for liabilities of the Remaining Business of Part III Demerged Companies, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets of the Part III Demerged Undertakings, shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with Part III Demerged Companies and shall cease to operate against any of the assets transferred to the Resulting Company 1. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

(c) Any reference in any security documents or arrangements (to which the Part III Demerged Companies is a party) to the Part III Demerged Companies and its assets and properties, shall be construed as a reference to the Resulting Company 1 and the assets and properties of the Part III Demerged Companies transferred to the Resulting Company 1 pursuant to Part III of this Scheme.

(d) In so far as any Encumbrances over the assets comprised in the Remaining Business of Part III Demerged Companies are security for the related Liabilities of Part III Demerged Undertakings, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

(e) Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming effective, Part III Demerged Companies and the Resulting Company 1 shall execute appropriate deeds of confirmations, all instruments or documents or do all the acts and deeds as may be required, with any party to any contract or arrangement in relation to Part III Demerged Undertakings, including the filing of necessary particulars and/or modifications of charge with the Registrar of Companies, to give formal effect to the above provisions, if required. The Resulting Company 1 shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Part III Demerged Companies in relation to the Part III Demerged Undertakings and to carry out or perform all such

formalities or compliances referred to above on the part of the Part III Demerged Companies *inter alia* in its capacity as the successor-in-interest of the Part III Demerged Companies in relation to the Part III Demerged Undertakings.

(f) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of Clause 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

3.9. It is hereby clarified that the rest of the assets and Liabilities (other than those forming part of the Part III Demerged Undertakings or otherwise specified in this Scheme) of Part III Demerged Companies shall continue in Part III Demerged Companies respectively.

3.10. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Part III Demerged Companies pertaining to the Part III Demerged Undertakings after the Effective Date shall be accepted by the bankers of the Resulting Company 1 and credited to the account of the Resulting Company 1, if presented by the Resulting Company 1. Similarly, the banker of the Resulting Company 1 shall honour all cheques issued by Part III Demerged Companies pertaining to the Part III Demerged Undertakings respectively for payment after the Effective Date. If required, Part III Demerged Companies shall allow maintaining of bank accounts in its name by the Resulting Company 1 for such time as may be determined to be necessary by Part III Demerged Companies and the Resulting Company 1 for presentation and deposition of cheques and pay orders that have been issued in the name of Part III Demerged Companies in connection with the business of Part III Demerged Undertakings.

3.11. It is clarified that if any assets (claims, rights, title, interest in, or authorities relating to such assets) or liabilities or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to Part III Demerged Undertakings which Part III Demerged Companies owns or to which Part III Demerged Companies are parties and which cannot be transferred to the Resulting Company 1 for any reason whatsoever, Part III Demerged Companies shall hold such assets or contract, deeds, bonds, liabilities, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the Resulting Company 1 to which the Part III Demerged Undertakings is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

3.12. All necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the Part III Demerged Undertakings shall be transferred to the Resulting Company 1;

3.13. All statutory rights and obligations pertaining to Part III Demerged Undertakings would vest in/accrue to Resulting Company 1. Hence, obligation pertaining to Part III Demerged

Undertakings, prior to the Effective Date, to issue or receive any statutory declaration or any other forms by whatever name called, under the Goods and Service Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Part III Demerged Companies and if any form relatable to the period prior to the said Effective Date is received in the name of Part III Demerged Companies, it would be deemed to have been received by Resulting Company 1 in fulfilment of their obligations.

4. LEGAL PROCEEDINGS

4.1. All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Part III Demerged Companies shall not abate, be discontinued or be in any way prejudicially affected by reason of the demerger or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Part III Demerged Companies, as if this Scheme had not been made.

4.2. With effect from the Effective Date, all Legal Proceedings by or against Part III Demerged Companies relating to the Part III Demerged Undertakings respectively under any statute, whether pending on the Appointed Date or which may be instituted anytime thereafter, shall be continued and enforced by or against the Resulting Company 1 after the Effective Date, to the extent legally permissible. To the extent the Legal Proceedings cannot be taken over by the Resulting Company 1, the Legal Proceedings shall be pursued by or against the Part III Demerged Companies as per the instructions of and entirely at the costs and expenses of the Resulting Company 1. In the event that such liability is incurred or such claim or demand is made upon Part III Demerged Companies (or any successor thereof) pertaining to the Part III Demerged Undertakings then the Resulting Company 1 shall reimburse and indemnify Part III Demerged Companies (or any successor thereof) for any payments made in relation to the same.

4.3. Upon the coming into effect of this Scheme, any Legal Proceedings by or against Part III Demerged Companies under any statute, whether or not pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of Part III Demerged Companies (including those relating to any property, right, power or Liabilities of Part III Demerged Companies in respect of the Remaining Business of Part III Demerged Companies) shall be continued and enforced by or against Part III Demerged Companies. The Resulting Company 1 shall in no event be responsible or liable for or in relation to any such Legal Proceeding by or against Part III Demerged Companies.

4.4. The Resulting Company 1 undertakes to have accepted on behalf of itself, all suits, claims, actions and Legal Proceedings initiated pertaining to the Part III Demerged Undertakings, transferred to its name and to have the same continued, prosecuted and enforced by or against the Resulting Company 1.

5. CONTRACTS, LICENSES, APPROVALS AND PERMITS

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, all leases, licenses, guarantees, approvals, permissions, registrations, consents or permits, whether governmental or otherwise, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Part III Demerged Undertakings to which Part III Demerged Companies respectively is a party or to the benefit of which Part III Demerged Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of, as the case may be, vest in the Resulting Company 1, and may be enforced as fully and effectually as if, instead of Part III Demerged Companies, the Resulting Company 1 had been a party or beneficiary or obliged thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company 1 pursuant to the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company 1 shall file appropriate applications / documents / intimations with relevant authorities concerned for the information and record purposes.

5.2. Any inter-se contracts between the Resulting Company 1 and the Part III Demerged Companies pertaining to Part III Demerged Undertakings respectively shall stand cancelled and cease to operate upon the Scheme becoming effective.

5.3. All guarantees provided by any bank in relation to the Part III Demerged Undertakings of the Part III Demerged Companies respectively outstanding as on the Effective Date, shall vest in the Resulting Company 1 and shall ensure to the benefit of the Resulting Company 1 and all guarantees issued by the bankers of the Part III Demerged Companies in relation to the Part III Demerged Undertakings at their request favouring any third party shall be deemed to have been issued at the request of the Resulting Company 1 and continue in favour of such third party till its maturity or earlier termination.

5.4. It is hereby clarified that if any licenses, approvals, permits, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Part III Demerged Undertakings to which Part III Demerged Companies is a party to, cannot be transferred to the Resulting Company 1 for any reason whatsoever, Part III Demerged Companies shall hold such licenses, approvals, permits, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company 1, in so far as it is permissible so to do till such time as the transfer is affected.

5.5. Benefits of any and all corporate approvals as may have already been taken by the Part III Demerged Companies in connection with the Part III Demerged Undertakings shall stand transferred to the Resulting Company 1 and the said corporate approvals and compliances shall be deemed to have been taken/ complied with by the Resulting Company 1.

5.6. The Resulting Company 1 shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents,

exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licences and certificates which were held or enjoyed by the Part III Demerged Companies in connection with the Part III Demerged Undertakings. For the avoidance of doubts, it is clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of the Resulting Company 1 pursuant to the Scheme becoming effective. The Resulting Company 1 shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Resulting Company 1 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Part III Demerged Companies in so far as the same are in connection with the Part III Demerged Undertakings and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

5.7. In relation to the above, any procedural requirements required to be fulfilled solely by Part III Demerged Companies (and not by its successors) in so far as the same are in connection with the Part III Demerged Undertakings, shall be fulfilled by Resulting Company 1 as if it is the duly constituted attorney of Part III Demerged Companies.

6. TREATMENT OF TAXES

6.1. All taxes (including income tax, advance tax, minimum alternate tax and credits, securities transaction tax, self assessment tax, sales tax, service tax, goods and services tax, etc.) including interest, penalty, surcharge and cess, if any paid or payable by or refundable to Part III Demerged Companies, in respect of the operations and / or the profits of the Part III Demerged Undertakings respectively before the Appointed Date, shall be on account of Part III Demerged Companies, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and services tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by Part III Demerged Companies in respect of the profits or activities or operations of the Part III Demerged Undertakings after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company 1, and shall, in all proceedings, be dealt with accordingly. It is hereby clarified that MAT Credit entitlement of Part III Demerged Companies pertaining to Part III Demerged Undertakings under section 115JB read with section 115JAA of IT Act as on Appointed Date shall also get transferred to Resulting Company 1 upon Demerger 1.

6.2. Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Part III Demerged Undertakings is received in the name of Part III Demerged Companies respectively, or tax credit relating to the Part III Demerged Undertakings is appearing in Form 26AS of the Part III Demerged Companies, it shall be deemed to have been received by and in the name of the Resulting Company 1 which alone shall be entitled to claim credit for such tax deducted or paid.

6.3. Upon the coming into effect of this Scheme, Part III Demerged Companies and the Resulting Company 1 are expressly permitted to file / revise/ reopen their respective tax returns / computation of total income after giving effect of Demerger 1 electronically and if the electronic filing is not enabled in the official website of the income tax department, it

can be filed manually before the income tax authorities holding jurisdiction over the Part III Demerged Companies and the Resulting Company 1 even if the time limit prescribed for filing revised return of income/ computation of total income, as applicable, has lapsed and/or assessment proceedings has been completed and no further approval for filing revised return / revised computation of total income after giving effect of the Demerger 1 shall be required from CBDT or any other Appropriate Authority and also revise related withholding tax certificates, including withholding tax certificates relating to transactions between Part III Demerged Companies and Resulting Company 1, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of credit for minimum alternate tax, or tax related deductions, or any other tax related compliances or filings of forms.

6.4. The goods and services tax paid by Part III Demerged Companies in respect of goods & services provided by the Part III Demerged Undertakings for the period commencing from the Appointed Date shall be deemed to be the goods and services tax paid by the Resulting Company 1, and credit for such goods and services tax shall be allowed to the Resulting Company 1 notwithstanding that challans for goods and services tax payments are in the name of Part III Demerged Companies and not in the name of the Resulting Company 1.

6.5. Upon the coming into effect of this Scheme and as per the provisions of section 72A and other applicable provisions of the IT Act, all accumulated losses and unabsorbed depreciation, if any, of the Part III Demerged Companies pertaining to the Part III Demerged Undertakings shall be transferred to the Resulting Company 1. It is expressly clarified that all the accumulated losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Resulting Company 1.

7. EMPLOYEES

7.1. All the employees of Part III Demerged Companies who are exclusively part of the Part III Demerged Undertakings and those employees as the board of directors may determine shall stand transferred to the Resulting Company 1 on Effective Date on terms and conditions, which as a result, shall not be less favourable than the terms and conditions of employment offered by Part III Demerged Companies (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and / or any other retirement benefits) without any interruption in service as a result of transfer of the Part III Demerged Undertakings to the Resulting Company 1 and without any further act, deed or instrument on the part of Part III Demerged Companies or the Resulting Company 1.

7.2. Upon the Scheme becoming effective, Part III Demerged Companies will transfer/handover to Resulting Company 1, copies of employment information of all such transferred employees of Part III Demerged Companies, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

7.3. The Resulting Company 1 agrees that the services of all such employees (as mentioned in Clause 7.1 above) with Part III Demerged Companies prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity fund plans, provident fund plans, superannuation fund plans and any other retirement benefits and accordingly, shall be reckoned therefore from the date of their respective appointment in Part III Demerged Companies who were part of the Part III Demerged Undertakings respectively.

7.4. The existing provident fund, superannuation and gratuity fund, incentives, if any, of which the aforesaid employees of Part III Demerged Companies (who are part of the Part III Demerged Undertakings respectively) are members or beneficiaries, along with all accumulated contributions therein till the Effective Date, shall, with the approval of the concerned authorities, be transferred to and continued without any break, to be administered by the Resulting Company 1 or as may be created by the Resulting Company 1 for the benefit of such employees on the same terms and conditions. All benefits and schemes being provided to the transferred employees will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of Part III Demerged Companies, would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Resulting Company 1. In case necessary approvals are not received or the respective funds are not created by the Effective Date and there is delay, all such amounts shall continue to be administered by Part III Demerged Companies as a trustee from the Effective Date till the date of actual transfer and on receiving the approvals, all the accumulated amounts till such date, shall be transferred to the respective funds of the Resulting Company 1 in accordance with the approvals that have been obtained.

8. SAVING OF CONCLUDED TRANSACTIONS

8.1. The demerger and vesting of the assets and Liabilities in relation to the Part III Demerged Undertakings as per Part III of this Scheme, and the continuance of the Legal Proceedings by or against the Resulting Company 1 shall not affect any transaction or proceedings already completed by the Part III Demerged Undertakings on or after the Appointed Date but before the Effective Date, to the end and intent that the Resulting Company 1 accepts all acts, deeds and things done and executed by and / or on behalf as acts, deeds and things done and executed by and on behalf of the Resulting Company 1.

9. CONDUCT OF BUSINESS OF THE PART III DEMERGED UNDERTAKINGS OF PART III DEMERGED COMPANIES UNTIL THE EFFECTIVE DATE

9.1. With effect from the Appointed Date and up to and including the Effective Date, Part III Demerged Companies shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Part III Demerged Undertakings for and on account of and in trust for the Resulting Company 1.

9.2. All profits or income accruing or arising to Part III Demerged Companies or losses including tax losses, or expenditure arising or incurred by Part III Demerged Companies in

relation to the Part III Demerged Undertakings respectively for the period commencing from the Appointed Date to the Effective Date shall, for all purposes, be treated as profit, income, loss or expenditure, as the case may be, of the Resulting Company 1.

9.3. All assets acquired by Part III Demerged Companies on or after the Appointed Date and prior to the Effective Date for operation of the Part III Demerged Undertakings or pertaining to the Part III Demerged Undertakings shall be deemed to have been acquired in trust for and on behalf of the Resulting Company 1, and shall also stand transferred to and vested in the Resulting Company 1 upon the coming into effect of this Scheme.

9.4. Where any of the Liabilities and obligations of Part III Demerged Companies as on the Appointed Date deemed to be transferred to the Resulting Company 1 have been discharged by Part III Demerged Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company 1, and all loans raised and used and all liabilities and obligations incurred by Part III Demerged Companies for the operations of the Part III Demerged Undertakings after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company 1, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company 1 and shall become the Liabilities and obligations of the Resulting Company 1, which shall be liable to meet, discharge and satisfy the same.

9.5. All taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, banking cash transaction tax, tax collected at source, taxes withheld/paid in a foreign country, customs duty, goods and services tax, as applicable, cess, tax refunds) payable by or refundable to Part III Demerged Companies pertaining to the Part III Demerged Undertakings including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Part III Demerged Companies) as the case may be, of Resulting Company 1, and any unabsorbed tax losses and depreciation as would have been available to Part III Demerged Companies shall be available to Resulting Company 1 upon the Scheme becoming effective.

9.6. Part III Demerged Companies hereby confirm that they shall continue, from the date of approval of the Scheme by the Board of Part III Demerged Companies and up to the Effective Date, to preserve and carry on the Part III Demerged Undertakings with due diligence and prudence.

9.7. Subject to the terms of the Scheme, the transfer and vesting of the Part III Demerged Undertakings as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or with effect from the Appointed Date as applicable till the Effective Date.