

APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035



SCHEME OF ARRANGEMENT

BETWEEN

APOLLO HOSPITALS ENTERPRISE LIMITED
(TRANSFEROR COMPANY)

AND

APOLLO PHARMACIES LIMITED
(TRANSFeree COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS

(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 including any statutory modifications, re-enactment or amendments thereof)

IS/ISO 9001:2000

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19, Bishop Gardens,
Raja Annamalaipuram,
Chennai - 600 028.

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PREAMBLE

(A) BACKGROUND AND DESCRIPTION OF THE COMPANIES WHO ARE PARTIES TO THIS SCHEME

1. This Scheme is presented pursuant to the provisions of sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, for the transfer of the Divestment Business of the Transferor Company and vesting of the same with the Transferee Company, on a going concern basis by way of a Slump Sale in accordance with section 2(42C) of the IT Act.

Additionally, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

2. Apollo Hospitals Enterprise Limited, the Transferor Company, is a listed public limited company incorporated on 05th December 1979 under the provisions of the Companies Act, 1956, having Corporate Identification Number (CIN) as L85110TN1979PLC008035 and having its registered office situated at 19, Bishop Gardens, R A Puram, Chennai – 600028, Tamil Nadu. The equity shares of the Transferor Company are listed on the Stock Exchanges.

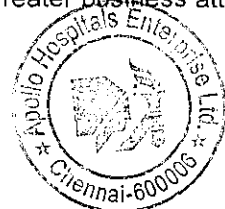
The Transferor Company is engaged in the business of enhancing the quality of life of patients by providing comprehensive, high quality hospital services on a cost-effective basis. The principal activities of the Company include operation of multi-disciplinary private hospitals, clinics, and pharmacies.

Apollo Pharmacies Limited, the Transferee Company, is an unlisted public company incorporated on 08th July 2016 under the provisions of the Companies Act, 2013, having Corporate Identification Number (CIN) as U52500TN2016PLC111328 and having its registered office situated at No.19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600028, Tamil Nadu.

The Transferee Company is engaged in the business of buying, selling, importing, exporting, distribution or dealing in or manufacturing, Medical and Pharmaceuticals products like intravenous sets, intravenous solutions, all kinds of drugs, disinfectants, tinctures, colloidal products, injectable and all pharmaceuticals and medical preparations.

(B) RATIONALE AND BENEFITS OF THE SCHEME

The Board of Transferor Company believe that the business of front end retail pharmacy carried out at standalone pharmacy has matured to a stage that it requires greater business attention



and possesses high growth potential, independent of the hospitals business. Further, the Board of Transferor Company believe that the risks and reward associated with each of the aforesaid business verticals is different. Hence, the Transferor Company have proposed to enter into this Scheme to enable its management to develop focussed business verticals. The Board of Transferor Company and Transferee Company are of the opinion that the arrangement under this Scheme would result in benefit to members, creditors and employees of each of Transferor Company and Transferee Company.

The transfer of the Divestment Business pursuant to this Scheme would inter alia result in the following benefits:

I) In case of the Transferor Company:

- Divesting standalone pharmacy business and utilizing the proceeds towards growth and enhancement of other existing businesses;
- Enhancing strategic flexibility to build a viable platform solely focusing on each of the businesses; and
- Enable dedicated management focus, resources and skill set allocation to each business, which will in turn accelerate growth and unlock value for the shareholders.

II) In case of the Transferee Company:

- Creation of value for shareholders by acquiring ready-to use assets, including business undertakings and reducing time to markets;
- Strengthening and streamlining the Direct-to-Consumer (D2C) front end operations of the standalone retail pharmacies;
- Enhancing the private label business; and
- Enabling foray into Digital / Online Pharmacy.

(C) PARTS OF THIS SCHEME

The Scheme is divided into following parts:

Part A - Definitions and share capital;

Part B - Transfer of the Divestment Business of the Transferor Company to the Transferee Company on a going concern basis by way of a Slump Sale;

Part C - General Terms and Conditions.

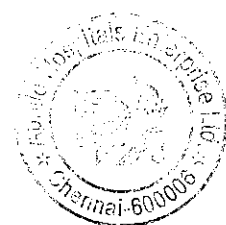


PART A – DEFINITIONS AND SHARE CAPITAL

1 Definitions

In this scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning attributed to them as below:

- 1.1 **"Accounting Standards"** means the Indian Accounting Standards as notified under section 133 of the Companies Act, 2013 read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India;
- 1.2 **"Act" or "the Act"** means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 1.3 **"Applicable Law(s)"** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines or policies of any applicable country and/ or jurisdiction; (b) administrative interpretation, writs injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any governmental authority; and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.4 **"Appointed Date"** means the 01stApril 2019 or such other date as may be approved by the Competent Authority or any other appropriate authority;
- 1.5 **"Approval"** means any permission, approval, consent, license (including drug licenses issued by relevant authorities as per the applicable regulations), order, decree, authorization, authentication of, or registration, qualification, designation, declaration or filing with or notification, exemption or ruling to or from any Governmental Authority required under any statute or regulation;
- 1.6 **"Assumed Litigations"** shall mean all claims, disputes, causes of action, litigation, and such other proceedings as shall remain attached to and/ or relating to the Divestment Business (or a Part thereof);
- 1.7 **"Board of Directors" or "Board"** means and includes the respective Board of Directors of Transferor Company and Transferee Company or any committee constituted by such Board of Directors for the purposes of the Scheme;

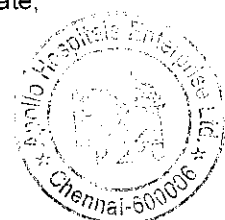


- 1.8 “**CCI**” means the Competition Commission of India;
- 1.9 “**Combination Regulations**” shall have the meaning ascribed to such term in Clause 22.3;
- 1.10 “**Companies**” means Transferor Company and Transferee Company;
- 1.11 “**Competent Authority**” means the National Company Law Tribunal (“NCLT”) & the National Company Law Appellate Tribunal (“NCLAT”) as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under the relevant provisions of the Act;
- 1.12 “**Consent**” means any license, permission, approval, clearance, permit, notice, consent, authorization, waiver, grant, concession, agreement, certificate, exemption, order, or registration from any Governmental Authority or any other Person;
- 1.13 “**Divestment Assets**” means the Divestment Tangible Fixed Assets, records and current assets, forming part of the Divestment Business;
- 1.14 “**Divestment Business**” means the business of front end retail pharmacy carried out at standalone pharmacy and front end retail pharmacy activity carried out through on-line platform for retail pharmacy and includes without limitation the Divestment Assets, the Divestment Liabilities, the Divestment Employees and Approval for conducting the standalone pharmacy business and on-line platform for retail pharmacy business.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/ or Employee pertains to or does not pertain to the Divestment Business or whether it arises out of the activities or operations of Divestment Business, the same shall be decided with mutual agreement between Board of Transferor Company and Transferee Company;

- 1.15 “**Divestment Employees**” means such employees forming part of the Divestment Business at the standalone pharmacy and directly handling the business operations and support functions for Divestment Business as on the Appointed Date and shall include such newly recruited employees, if any, from the Appointed Date to the Effective Date;
- 1.16 “**Divestment Tangible Fixed Assets**” means the tangible fixed asset forming part of the Divestment Business at the standalone pharmacy as on the Appointed Date and shall include such other addition, if any, made from the Appointed Date to the Effective Date;



- 1.17 **“Divestment Liabilities”** shall consist of the following liabilities:
- i. Liabilities in relation to the Divestment Employees forming part of Divestment Business;
 - ii. Liabilities in relation to the contractual obligation pertaining to Divestment Business;
 - iii. Liabilities and obligations of the Transferor Company related to or the result or consequences of Assumed Litigations following the Effective Date other than the Excluded Liabilities;
- Any liabilities other than the above mentioned liabilities shall not form part of Divestment Liabilities;
- 1.18 **“Effective Date”** means the date on which the certified copy of the Competent Authority, sanctioning the Scheme is filed with the ROC, Chennai, Tamil Nadu. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of the Scheme” or “Scheme taking effect” shall mean the Effective Date;
- 1.19 **“Encumbrance”** means (a) any mortgage, pledge, lien, charge (whether fixed or floating), hypothecation, assignment, deed of trust, title retention, right of set-off or counterclaim, security interest, security letter conferring any priority of payment in respect of any obligation of any Person, (b) purchase or option agreement or arrangement, right of first refusal, right of first offer, restriction on voting; (c) subordination agreement or arrangement; (d) agreements to create or effect any of the foregoing; (e) interest, option, or transfer restriction in favour of any person; (f) any adverse claim as to title, possession or use, and (g) any encroachment on immovable properties;
- 1.20 **“Excluded Assets”** shall mean all the assets of the Transferor Company other than those forming part of the Divestment Assets;
- 1.21 **“Excluded Liabilities”** means any and all liabilities or obligations of the Transferor Company other than those forming part of Divestment Liabilities;
- 1.22 **“Excluded Litigations”** shall mean all litigations other than the Assumed Litigations and which litigations shall not stand transferred to the Transferee Company pursuant to this Scheme;
- 1.23 **“Governmental Authority”** means (i) a national government, political subdivision thereof; (ii) an instrumentality, board, commission, court, local authority or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;
- 1.24 **“IT Act”** means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;



- 1.25 "**Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- 1.26 "**Long Stop Date**" means the date immediately after the expiry of 18 (eighteen) months from the Date on which this Scheme is filed with NCLT;
- 1.27 "**Residual Undertaking**" shall mean business undertakings other than the Divestment Business and shall notwithstanding anything contained in clause 1.13 and clause 1.14 above, specifically include inventory in excess of 30 days average inventory at the stand alone pharmacy as identified by the Board of Director of the Transferor Company. Further, it shall specifically include all the intangible assets (whether recognised in the books of account of Transferor Company or otherwise), Excluded Assets, Excluded Liabilities and Excluded Litigations.
- 1.28 "**ROC**" means the respective Registrar of Companies having jurisdiction over the Transferor Company and the Transferee Company, as the case may be;
- 1.29 "**Rs.**" or "**Rupees**" means Indian Rupees, the lawful currency of India;
- 1.30 "**Scheme**" "**the Scheme**" or "**this Scheme**" means this scheme of arrangement in its present form or with any modification(s) made under Clause 18 of this Scheme or any modifications approved or directed by the National Company Law Tribunal at Chennai or any other Government Authority;
- 1.31 "**SEBI**" means the Securities and Exchange Board of India;
- 1.32 "**SEBI Circular**" mean the SEBI Circular on 'Schemes of Arrangement' by Listed Companies and relaxation under sub-rule (7) of rule 19 of the Securities Contracts Regulation Rules, 1957 dated 10 March 2017, including any amendments or modifications thereto;
- 1.33 "**Slump Sale**" means the sale of an undertaking on a going concern basis as defined under section 2(42C) of the IT Act, for a lump sum consideration without values being assigned to the individual assets and liabilities;
- 1.34 "**Stock Exchanges**" means the National Stock Exchange of India Limited and the BSE Limited;
- 1.35 "**Transferee Company**" means Apollo Pharmacies Limited, a company incorporated under Companies Act, 2013 and having registered office at No.19, Bishop Gardens, Raja Annamalaipuram, Chennai – 600028, Tamil Nadu.



- 1.36 **“Transferor Company”** means Apollo Hospitals Enterprise Limited, a company incorporated under Companies Act, 1956 and having registered office at 19, Bishop Gardens, R A Puram, Chennai – 600028, Tamil Nadu;
- 1.37 Words denoting the singular shall include the plural and vice versa;
- 1.38 References to any statutory provision shall include any statutory modification to or re-enactment of such provision; and
- 1.39 Clause headings are included for reference only and shall not affect the interpretation of this instrument.
- 1.40 The expressions, which are used but are not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the rules, regulations made thereunder), the Depositories Act, 1996, the IT Act and other Applicable Laws.

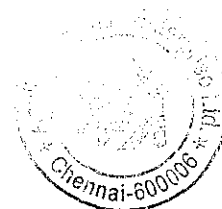
2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Competent Authority or made as per Clause 18 of the Scheme, shall be effective from the Appointed Date but shall be made operative from the Effective Date.

3 SHARE CAPITAL

- 3.1 The share capital of Transferor Company as at 31st March 2018 is as under:

Particulars	Amount in Rupees million
Authorised Capital	
200,000,000 Equity Shares of Rs. 5 each	1,000
1,000,000 Preference Shares of Rs. 100 each	100
Total	1,100
Issued	
139,658,177 Equity Shares of Rs.5 each	698.29
Total	698.29
Subscribed and Paid-up	
139,125,159 Equity Shares of Rs. 5 each	695.63
Total	695.63



3.2 The share capital of Transferee Company as at 31st March 2018 is as under:

Particulars	Amount in Rupees million
Authorised Capital	
100,000 Equity Shares of Rs. 10 each	1.00
Total	1.00
Issued, Subscribed and Paid-up	
50,000 Equity Shares of Rs. 10 each	0.50
Total	0.50

PART B – TRANSFER OF DIVESTMENT BUSINESS OF THE TRANSFEROR COMPANY TO THE TRANSFEEE COMPANY ON A GOING CONCERN BASIS BY WAY OF A SLUMP SALE

4. Transfer and vesting of the Divestment Business

4.1. Upon this Scheme becoming effective and with effect from the Appointed Date, the Divestment Business of the Transferor Company shall stand transferred and vest in the Transferee Company on a going concern basis by way of a Slump Sale without any requirement of a further act or deed so as to become as and from the Appointed Date, the undertaking of the Transferee Company, and to vest in the Transferee Company, all the Divestment Assets, Divestment Liabilities, Approval (including drug licenses issued by relevant authorities as per the applicable regulations), rights, title or obligations of the Divestment Business therein, in the manner described hereunder:

- In the event any part of the Divestment Business intended to be transferred does not get transferred to the Transferee Company upon the effectiveness of the Scheme, the Transferor Company and the Transferee Company undertake to take all necessary steps, and execute all necessary documents, to ensure the transfer of such part of the Divestment Business thereof to the Transferee Company forthwith without any further consideration. The Transferor Company and the Transferee Company agree that pending such transfer, the Transferor Company shall hold such part of the Divestment Business in trust for the Transferee Company, and shall put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of the same without incurring monetary obligations for such actions;
- The Divestment Assets, Divestment Liabilities, Approval, Assumed Litigations and the Divestment Employees which form part of the Divestment Business shall be transferred to the Transferee Company in accordance with this Scheme under the provisions of Section 230 to 232 of the Companies Act, 2013. For the avoidance of doubt, the Residual Undertaking shall continue to vest in the Transferor Company;



- Upon the Scheme becoming effective, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Laws or to be out or performed in relation to or as a consequence of the vesting of the Divestment Business into the Transferee Company.

5. Transfer of Divestment Assets

- 5.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all Divestment Assets relating to the Divestment Business, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery in whatsoever nature and wherever situated shall under the provisions of Section 230 to 232 of the Companies Act, 2013, shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- 5.2. Upon this Scheme becoming effective and with effect from the Appointed Date, all movable Divestment Assets of the Transferor Company relating to the Divestment Business, other than those specified in clause 5.1 above, including cash and cash equivalents, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons shall without any requirement of a further act, instrument or deed become the property of the Transferee Company.
- 5.3. Upon this Scheme becoming effective and with effect from the Appointed Date, in relation to Divestment Assets, if any, belonging to the Divestment Business which require separate documents for vesting in the Transferee Company, or which the Transferor Company and/ or the Transferee Company otherwise desire to be vested separately, the Transferor Company and the Transferee Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.
- 5.4. It is hereby clarified that if any Divestment Assets (including but not limited to any estate, rights, title, interest in or authorities relating to such Divestment Assets) in relation to the Divestment Business which the Transferor Company owns, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such Divestment Asset in trust for the benefit of the Transferee Company.

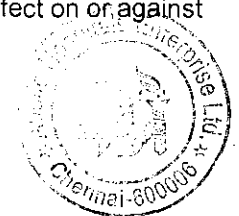


6. Transfer of Divestment Liabilities

- 6.1. Subject to clause 10.1 below, upon this Scheme becoming effective and with effect from the Appointed Date, all Divestment Liabilities shall stand transferred, or be deemed to have been transferred to the Transferee Company so as to become from the Appointed Date, the liabilities of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same. It is however clarified that any liabilities in relation to the Divestment Business that may arise or crystallize subsequent to the Appointed Date but relate to a period prior to the Appointed Date shall be solely borne by and discharged by the Transferor Company.
- 6.2. The vesting of the Divestment Business as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Divestment Business, provided however, any reference in any security documents or arrangements to which the Transferor Company is a party, wherein the Divestment Assets of the Divestment Business have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the Divestment Assets pertaining to the Divestment Business as are vested in the Transferee Company as per this Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other Excluded Assets of the Transferor Company or any of the Assets of the Transferee Company. Provided further, that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the Divestment Assets or any part thereof of the Transferee Company shall not continue with respect to such Divestment Assets or part thereof.
- 6.3. The provisions of clause 6 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/ or superseded by the foregoing provisions. For avoidance of doubt the provisions of clause 6 shall not be construed as limiting the operation of Part C of this Scheme.

7. Contracts, Approval and other instruments

- 7.1. Upon this Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme, contracts, Approval, deeds, rights to the lease agreements, agreements entered into with various persons including independent consultants, subsidiaries/associate/joint venture companies and other shareholders of such subsidiaries/ associate/ joint venture companies, arrangements and other instruments of whatsoever nature in relation to the Divestment Business, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against



or in favor of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto or thereunder.

7.2. Without prejudice to the other provisions of this Scheme and notwithstanding that the vesting of the Divestment Business with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions, The Transferor Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

7.3. Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all statutory or regulatory licenses (including drug licenses issued by relevant authorities as per the applicable regulations), certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favor of the Transferor Company in relation to the Divestment Business shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favor of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company in relation to the Divestment Business are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

7.4. It is hereby clarified that if any contract, Approval, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Divestment Business to which the Transferor Company is a party, cannot be transferred to the Transferee Company for any reason whatsoever shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company.



8. Action on Effective Date

8.1 Effective Date shall be on a date mutually agreed between the Transferor Company and the Transferee Company but shall be no later than 30 (thirty) Business Days from the later of (a) the date of receipt of the NCLT Order (s) sanctioning the Scheme (or the NCLT Order(s) for granting extension of time or condonation of delay in or granting extension of time for filing e-form INC 28, if applicable); and (b) fulfilment of the regulatory approvals for obtaining sanction for this Scheme.

8.2 The activities/ matters contemplated under this Scheme to be completed on the Effective Date shall be deemed to occur simultaneously and no such activity/ matter shall be consummated, or be deemed to be consummated, unless all such activities/ matters have been consummated.

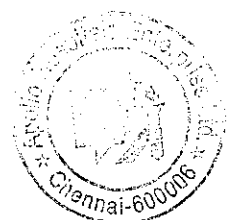
8.3 On the Effective Date, each of the following shall be simultaneously undertaken:

- The Transferor Company and the Transferee Company shall each duly file e-form INC 28 on the website of the Ministry of Corporate Affairs;
- The Transferee Company shall convene a meeting of its Board of Directors or committee of directors so authorised for declaring the effectiveness of the Scheme, and shall provide a certified true copy of the said resolution to the Transferor Company provided that failure to hold such meeting will not render the Scheme ineffective;
- The Transferor Company shall convene a meeting of its Board of Directors or committee of directors so authorised for declaring the effectiveness of the Scheme and shall provide a certified true copy of the said resolution to the Transferee Company, provided that failure to hold such meeting will not render the Scheme ineffective;
- The Divestment Business (including the Divestment Assets, the Divestment Liabilities, the Divestment Employees and the Assumed Litigations) and all rights, benefits and interest therein, shall stand transferred to the Transferee Company pursuant to the Scheme in the manner set out herein, free of any Encumbrance;
- With effect from the Effective Date, the Transferee Company shall pay, perform and discharge, when due, or cause to be paid, performed and discharged when due, all the Divestment Liabilities in relation to the period after the Effective Date.

9. Divestment Employees



- 9.1. Upon this Scheme becoming effective, the Divestment Employees relating to the Divestment Business as on the Appointed Date, if any, shall be deemed to have become employees of the Transferee Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Transferor Company on the Appointed Date. The services of such Divestment Employees, if any, with the Transferor Company up to the Appointed Date shall be taken into account for the purposes of all benefits to which the Divestment Employees, if any, may be eligible under Applicable Law.
- 9.2. Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.
- 9.3. In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.
- 9.4. Upon this Scheme becoming effective, all contributions to funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the Divestment Employees of the Divestment Business, if any, shall be made by the Transferee Company in accordance with the provisions of such schemes or funds and Applicable Law.

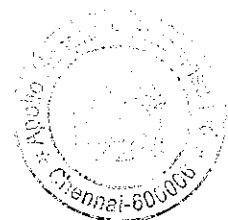


10. Continuation of Legal Proceedings

- 10.1. Upon this Scheme becoming effective, all Assumed Litigations (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company which may be instituted after the Appointed Date and which relate to a period after the Appointed Date and in each case relating to the Divestment Business would stand transferred, or be deemed to stand transferred to the Transferee Company and shall solely be continued and enforced by or against the Transferee Company. However, it is clarified that all legal or Other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Appointed Date and/ or which may be instituted after the Effective Date but which relate to a period on or prior to the Appointed Date and in each case relating to the Divestment Business would be to the sole account of the Transferor Company and shall solely be continued and enforced by or against the Transferor Company.
- 10.2. Any difference or difficulty as to whether any specific Assumed Litigation relates to the Divestment Business, shall be mutually decided between the Board of Directors of the Transferor Company and the Transferee Company and such mutual decision shall be conclusive and binding on the Companies.

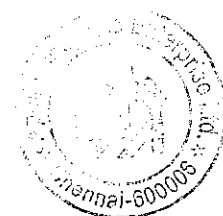
11. Treatment of taxes

- 11.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable by the Transferor Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws), Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws and all other Applicable Laws), accruing and relating to the Divestment Business, including but not limited to tax payments, tax deducted at source, minimum alternate tax, any refund and claims which may arise after the Effective Date and which relate to a period after the Effective Date shall, for all purposes, be treated as tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferee Company. However, it is clarified that, all taxes and duties payable by the Transferor Company (including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws), Central Sales Tax Act, 1956, VAT/ Service tax, Goods and Services Tax laws and all other Applicable Laws), accruing and relating to the Divestment Business, including but not limited to tax payments, tax deducted at source, minimum alternate tax, any refund and claims existing on the Effective Date and which may arise after the Effective Date but which relate to a period on or before the Effective Date shall, for all purposes, be treated as tax payments, tax deducted at source, minimum alternate tax or refunds and claims, as the case may be, of the Transferor Company.



- 11.2. Upon this Scheme becoming effective, all unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax, goods and services tax, etc. relating to the Divestment Business to which the Transferor Company is entitled to, which may arise after the Appointed Date and which relate to a period after the Appointed Date shall be available to and vest in the Transferee Company, without any further act or deed. However, it is clarified that all unutilized credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including but not limited to tax deducted at source, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax, goods and services tax etc. relating to the Divestment Business to which Transferor Company is entitled to, existing on the Appointed Date and which may arise after the Appointed Date but which relate to a period on or before the Appointed Date shall be available to and remain with the Transferor Company, without any further act or deed.
- 11.3. The Board of Directors of the Transferor Company and the Transferee Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Divestment Business and whether the same would be transferred to the Transferee Company.
- 11.4. Any refund under the tax laws due to the Transferor Company pertaining to the Divestment Business consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to Transferor Company. Any refund under the tax laws (excluding income-tax) due to the Transferor Company pertaining to the Divestment Business consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the Appointed Date and any day thereafter shall belong to Transferee Company. The relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the orders on this Scheme by the Competent Authority upon relevant proof and documents being provided to the said authorities.
- 11.5. The Transferor Company may be entitled to various incentive schemes and pursuant to this Scheme, it is declared that the benefits under all such schemes and policies pertaining to the Divestment Business shall stand transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under the income tax, excise, sales tax, service tax, goods and services tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Divestment Business, to the extent statutorily available, shall be claimed by the Transferee Company.

12. Conduct of Divestment Business



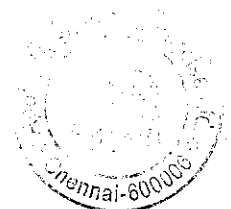
- 12.1. Subject to the effectiveness of this Scheme, with effect from the date of approval of this Scheme by the Board of Directors of the Transferor Company and the Transferee Company, and up to and including the Date on which the Transferee Company obtains the requisite registration, approvals, exemptions, reliefs, etc., as may be required under any Applicable Law for carrying on business, the Transferor Company shall carry on the business of the Divestment Business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- 12.2. The Transferee Company shall also be entitled, pending the effectiveness of this Scheme, to apply to the central government, state government, and all other agencies, departments and statutory authorities concerned wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any Applicable Law for carrying on business.

13. Consideration

- 13.1. Upon this Scheme coming into effect, the Transferee Company shall discharge the lump sum consideration of Rs. 5,27,80,00,000 (Rupees Five Hundred Twenty Seven Crore Eighty Lakhs only) to the Transferor Company in the form of cash through normal banking channels. It is clarified that capital gains tax, if any, that may arise on account of payment of the consideration shall be the sole responsibility of the Transferor Company.

14. Residual Undertaking of the Transferor Company

- 14.1. The Residual Undertaking and all the Excluded Assets, Excluded Liabilities, rights, title, interest or obligations thereto shall continue to belong to and be vested in and be managed by the Transferor Company and the Transferee Company shall have no right, claim or obligation in relation to the Residual Undertaking.
- 14.2. All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case pertaining to the Residual Undertaking shall be continued and enforced by or against the Transferor Company after the Appointed Date. The Transferee Company shall in no event be responsible or liable in relation to any such legal or other proceeding against the Transferor Company.
- 14.3. With effect from and beyond the Appointed Date, the Transferor Company:



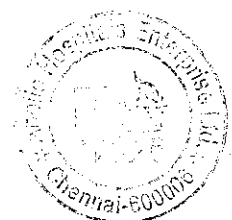
- (i) shall be deemed to have been carrying on and to be carrying on all the business and activities relating to the Residual Undertaking for and on its own behalf; and
- (ii) all profits accruing to the Transferor Company thereon or losses arising or incurred by it relating to the Residual Undertaking shall for all purposes be treated as the profits or losses, as the case may be, of the Transferor Company.

15. Accounting treatment in the books of the Transferee Company

- 15.1. As on the Appointed Date, Transferee Company, shall allocate the consideration paid by it as per clause 13 above, amongst the Divestment Assets and Divestment Liabilities pertaining to the Divestment Business transferred by Transferor Company to Transferee Company.
- 15.2. The Board of Directors of the Transferee Company shall determine the allocation of the consideration paid by it amongst the Divestment Assets and Divestment Liabilities pertaining to the Divestment Business at their acquisition-date fair values as stated in para 18 of Ind AS 103 – Business Combinations.
- 15.3. Subsequent to the accounting treatment carried out as above, Transferee Company shall record the difference, if any, between the consideration paid as per clause 13 above and the amount allocated to such net assets (assets minus liabilities whether recorded or not) taken over as goodwill or capital reserve as the case may be.
- 15.4. The Board of Directors will take necessary steps to ensure that the Scheme is in compliance with Indian Accounting Standard – 103, Business Combinations.

16. Accounting treatment in the books of the Transferor Company

- 16.1. Upon the Scheme becoming effective, Transferor Company shall reduce the book value of Divestment Assets and Divestment Liabilities pertaining to the Divestment Business transferred to Transferee Company.
- 16.2. The surplus or deficit, if any, arising out of the difference between the book value of the Divestment Assets and Divestment Liabilities of the Divestment Business transferred to Transferee Company and the consideration received by Transferor Company as per clause 13 above, in lieu of such transfer shall be recognised in Profit and Loss account.
- 16.3. The Board of Directors will take necessary steps to ensure that the Scheme is in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the rules made there under.



PART C – GENERAL TERMS AND CONDITIONS

17. Application to the Competent Authority

- 17.1. Each of the Companies shall jointly make the requisite company applications/ petitions under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to the Competent Authority for seeking sanction of this Scheme.

18. Modification or Amendment to this Scheme

- 18.1. Each of the Companies (acting through their respective Board and/ or sub-committee formed by the Board) may, in their full and absolute discretion, assent to any amendments, alterations or modifications to this Scheme, in part or in whole, which the Competent Authority and/ or any other authorities may deem fit to direct, approve or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out this Scheme, including any individual part thereof, or if the Board are of the view that the coming into effect of this Scheme, in part or in whole, in terms of the provisions of this Scheme, could have an adverse implication on all or any of the Companies. Each of the Companies (acting through their respective Board and/ or sub-committee formed by the Board) be and are hereby authorized to take such steps and do all acts, deeds and things, as may be necessary, desirable or proper to give effect to this Scheme, in part or in whole and to resolve any doubts, difficulties or questions whether by reason of the order of Competent Authority or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerning or connected therewith and may also in their full and absolute discretion, withdraw or abandon this Scheme, or any individual part thereof, at any stage prior to the Effective Date.
- 18.2. If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whatsoever, whether under present or future laws, then it is the intention of the Companies that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either of the Companies in which case the Companies shall attempt to bring about a modification in this Scheme, as will best preserve for the Companies the benefits and obligations of this Scheme, including but not limited to such part.

19. Revocation, Withdrawal of this Scheme

- 19.1. The Transferor Company and/ or the Transferee Company acting through their respective Board shall each be at liberty to withdraw this Scheme.



19.2. In the event of revocation under clause 19.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Companies or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with Applicable Law.

19.3. In the event of revocation under clause 19.1 above, the Companies shall take all necessary steps to withdraw this Scheme from the Competent Authority and any other authority and to make all necessary filings/ application as may be required to withdraw this Scheme.

20. Effect of non-receipt of approvals

20.1. In case this Scheme is not sanctioned by Competent Authority or is not approved by SEBI or the Stock Exchanges, or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme not being obtained or complied or for any other reason, if this Scheme cannot be implemented, then, this Scheme shall become null and void, and the Transferor Company shall bear the entire cost, charges and expenses in connection with this Scheme unless otherwise mutually agreed.

21. Costs, charges, expenses

21.1. Each of the Companies shall bear its own costs in relation to the negotiations leading up to the transactions contemplated hereunder and to the preparation, execution and carrying into effect of this Scheme.

21.2. Costs and expenses relating to the transfer of the Divestment Business shall be borne solely by the Transferor Company.

22. Conditionality of this Scheme

22.1. The transfer of the Divestment Business to the Transferee Company as contemplated by this Scheme is conditional upon and subject to:

- i The Transferee Company having duly discharged the lump sum consideration to the Transferor Company as provided for under clause 13 of Part B of this Scheme;



- ii The Scheme being approved by respective requisite majorities in numbers and value of such classes of members of the companies as may be directed by the NCLT;
- iii The Scheme being approved by the public shareholders of the Transferor Company through postal ballot and e-voting. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it as required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI;
- iv The Scheme being sanctioned by the NCLT under Section 230 to 232 on terms acceptable to Transferor Company and Transferee Company.

22.2. This Scheme although to come into operation from the Appointed Date shall not become effective until the necessary certified copies of the orders under section 230 to 232 of the Act shall be duly filed with the ROC of relevant jurisdictions

22.3. The occurrence of the first of any of the following, if applicable: pursuant to the provisions of the Competition Act, 2002 of India and the rules and regulations thereunder including the Competition Commission of India (Procedure in Regard to the Transaction of Business Relating to Combinations) Regulations, 2011 ("**Combination Regulations**"), the CCI (or any appellate authority in India having appropriate jurisdiction) having either (i) granted approval to the Scheme in form and substance reasonably acceptable to the Transferor Company and the Transferee Company, or (ii) been deemed to have granted approval to the Scheme through the expiration of time periods available for their investigation and any period of limitation for filing an appeal therefrom having elapsed.

23. Operationalization of the Scheme

23.1 This Scheme shall become effective with effect from the Appointed Date.

24. Permission to raise capital

24.1. Notwithstanding anything contained in this Scheme and subject to Applicable Law, until this Scheme becomes effective, the Transferor Company and Transferee Company shall have the right to raise capital for the efficient functioning of the business of the Transferor Company and Transferee Company respectively or for any other purpose including for purposes of refinancing, repayment, conversion or prepayment of any loans.

25. Compliance with Applicable Laws

