

SCHEME OF ARRANGEMENT

BETWEEN

DALMIA BHARAT REFRACTORIES LIMITED
("DEMERGED COMPANY")

AND

HIMADRI SPECIALITY CHEMICAL LIMITED
("RESULTING COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTION 230-232 AND OTHER APPLICABLE PROVISIONS OF THE
' COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER)

For Dalmia Bharat Refractories Limited

Soumya Sharma
Company Secretary &
Compliance Officer
ACS : 60934

For Himadri Speciality Chemical Ltd

Monika Saraswat
Company Secretary &
Compliance Officer
ACS: 29322



A. PREAMBLE

The Scheme (*defined in Part I below*) is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (*defined in Part I below*) and rules made thereunder, read with Section 2(35), Section 70 and other relevant provisions of Income Tax Act (*defined in Part I below*), as well as the relevant provisions of the SEBI Master Circulars (*defined in Part I below*) and the SEBI LODR Regulations (*defined in Part I below*), and provides for, inter alia, the following:

- (a) Demerger, (*defined in Part I below*) by way of transfer and vesting of the Demerged Undertaking (*defined in Part I below*) from the Demerged Company to the Resulting Company as a going concern, on an as is where is basis and the consequent issuance of Resulting Company New Shares (*as defined in the Scheme*) by the Resulting Company to the eligible shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (*as defined in the Scheme*) in the manner set forth in the Scheme; and
- (b) various other matters consequential or otherwise integrally connected therewith, each in the manner as more particularly set out in the Scheme.

B. BACKGROUND OF THE COMPANIES

1. Dalmia Bharat Refractories Limited

- (a) Dalmia Bharat Refractories Limited (“DBRL” or “Demerged Company”) (CIN: L26100TN2006PLC061254) (PAN: AAKCS3708G) is a public company limited by shares, incorporated on 04th October, 2006 under the provisions of the Companies Act, 1956, having its registered office at Dalmiapuram, Tamil Nadu, India – 621651.
- (b) As set out in the object clause of the memorandum of association of DBRL is, *inter alia*, engaged in the business of mining, manufacturing, research and development, production, processing, import, export and dealing in various kinds of building materials, refractory minerals and other products and by-products. DBRL is also engaged in providing tour and travel services and manufacturing and trading of tyres and related products.
- (c) The equity shares of DBRL are listed on Metropolitan Stock Exchange of India Limited (“MSEI”) and The Calcutta Stock Exchange Limited (“CSE”).

2. Himadri Speciality Chemical Limited

- (a) Himadri Speciality Chemical Limited (“HSCL” or “Resulting Company”) (CIN: L27106WB1987PLC042756) (PAN: AAACH7475H) is registered as a public company limited by shares, incorporated on 28th July, 1987 under the provisions of the Companies Act, 1956, having its registered office at 23A, Netaji Subhas Road, 8th Floor, Suite no 15, Kolkata, West Bengal, India – 700001.
- (b) HSCL is a global speciality chemical company focused on R&D, innovation, and sustainability, with leadership in lithium-ion battery component materials in India. Its diversified portfolio includes carbon black, speciality carbon black, coal tar pitch, refined naphthalene, advanced materials and clean power solutions serving multiple industries.
- (c) The equity shares of HSCL are listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”). The commercial papers of HSCL are listed on BSE.

C. RATIONALE AND BENEFITS OF THE SCHEME

The Demerged Company, with the support of the Resulting Company and/or its group companies, is engaged in operation and performance of the Tyre Business. The Board of Directors of respective Companies, after considering the nature of the Demerged Undertaking, its future requirements, respective strengths and strategic objectives of Resulting Company, is of the view that the proposed



Demerger would provide a more focused ownership and robust operating structure for the Demerged Undertaking, while enabling each of the Companies to deploy its management attention, capital and resources towards businesses aligned with its respective strategic capabilities and long-term objectives.

The rationale and benefits of the Scheme for each Company are set out below:

(i) **For the Demerged Company:**

(a) **Strategic portfolio realignment and sharper business focus:**

The proposed Demerger will enable the Demerged Company to realign its business portfolio by separating the Demerged Undertaking from its Remaining Businesses. Following the Demerger, the Demerged Company will have a more focused business platform, enabling the Board and management to formulate and implement strategies specifically aligned with the operating characteristics, opportunities and long-term objectives of its Remaining Businesses.

(b) **Focused capital allocation and financial flexibility:**

The proposed Demerger will enable the Demerged Company to align its capital allocation and financial resources more closely with the requirements and growth opportunities of its Remaining Businesses. The resulting structure will provide greater flexibility to evaluate investment, funding and other financial decisions for the Remaining Businesses based on their respective business priorities and expected returns

(c) **Ability to pursue the investment requirements of the Tyre Business through a business-specific capital strategy:**

The Demerged Undertaking is at a stage where substantial investments are required to revive, modernise and scale its operations and to pursue its identified growth opportunities. A separate ownership and management framework will enable the Demerged Undertaking to pursue its capital expenditure, funding and working capital requirements.

(d) **Simplified corporate structure and enhanced governance:**

The separation of the Demerged Undertaking will result in a simpler corporate and organisational structure for the Demerged Company, with businesses having distinct operating characteristics, capital requirements and investment cycles no longer being housed within the same corporate framework. This is expected to facilitate more focused governance, management oversight and performance evaluation of the Remaining Businesses.

(e) **Enhanced transparency and stakeholder understanding:** A more focused business portfolio is expected to provide greater clarity regarding the nature, performance and prospects of Demerged Company's Remaining Businesses. This may facilitate more meaningful assessment of the performance of individual businesses and their respective strategic priorities by the Board, management, shareholders and other stakeholders.

(f) **Long-term value creation for Demerged Company and its stakeholders:** The Board of Directors believes that strategic realignment is expected to strengthen Demerged Company's ability to pursue sustainable growth and create long-term value for the Company and its stakeholders.

(ii) **For the Resulting Company:**

(a) **Strengthening Resulting Company's strategic forward-integration into the tyre value chain:** The Demerged Undertaking has a strong strategic fit with Resulting Company's existing business and its stated strategy of expanding from carbon black and other advanced carbon materials towards higher-value, downstream applications. Carbon black is a critical raw material in tyre manufacturing and Resulting Company's longstanding engagement with global and domestic tyre manufacturers provides it with substantial understanding of tyre formulations, performance requirements and industry dynamics. The proposed demerger will enable Resulting Company to consolidate the Demerged Undertaking within its own business platform and further strengthen its presence across the tyre value chain.



- (b) **Leveraging established capabilities and creating value across the integrated value chain:** The proposed integration will enable Resulting Company to leverage its existing capabilities in carbon black, advanced carbon materials, material science, research and development, product application, procurement, manufacturing and customer engagement in the Tyre Business. The ability to combine Resulting Company's material expertise with tyre manufacturing and application capabilities is expected to facilitate better product customisation, faster product development and improved ability to respond to evolving customer and application requirements, including in agriculture, construction, industrial, mining, commercial, off-highway, passenger, SUVs and electric mobility segments.
- (c) **Realising operational and commercial synergies:** The integration of the Demerged Undertaking with Resulting Company's existing operations is expected to create opportunities for synergies across raw material sourcing, product development, manufacturing, quality and process optimisation, logistics, customer engagement, distribution, market development and shared services. Such integration is expected to improve coordination across the value chain, enhance operating efficiencies and support the development of differentiated tyre products based on specific application and performance requirements.
- (d) **Accelerating the development and scaling-up of the Tyre Business:** The proposed Demerger will provide Resulting Company with direct ownership and control of the Demerged Undertaking and enable it to pursue the next phase of development of the Tyre Business in a coordinated manner. This includes improving capacity utilisation, modernising and upgrading manufacturing facilities, expanding the product portfolio and developing additional market and distribution channels.
- (e) **Greater strategic and financial flexibility for the Tyre Business:** Direct ownership of the Demerged Undertaking will enable Resulting Company to evaluate the Tyre business as an integral part of its overall portfolio and determine its investment, funding, capacity expansion and growth priorities in a coordinated manner. This will facilitate deployment of capital and management resources towards opportunities offering the best strategic fit and growth potential, while allowing the Tyre business to pursue its specific investment and expansion requirements within Resulting Company's broader growth strategy.
- (f) **Long-term growth and value creation:** By bringing the Demerged Undertaking under a unified ownership and management framework, the Scheme is expected to facilitate greater integration, operational efficiency, investment flexibility and scalability of the Tyre Business, thereby strengthening Resulting Company's overall business platform and supporting sustainable long-term growth and value creation for Resulting Company and its stakeholders.

Accordingly, the Boards of Directors of the respective Companies are of the view that the proposed Scheme is in the best interests of the respective Companies, their shareholders, employees, creditors and other stakeholders, and is expected to facilitate the sustainable growth of the Demerged Undertaking while enabling each Company to focus on its respective strategic objectives.

The respective Board of Directors (*as defined in Part I below*) of the Companies at their meetings held on 21st September 2026 after detailed deliberation and due consideration, have approved this Scheme of Arrangement as provided hereinafter.

D. PARTS OF THE SCHEME

This Scheme (*as defined in Part I below*) is divided into the following parts:

- (a) **Part I** deals with the definitions and interpretations used in the Scheme;
- (b) **Part II** deals with the capital structure of the Companies;
- (c) **Part III** deals with the Demerger of Demerged Undertaking from Demerged Company into the Resulting Company on a going concern basis and other matters incidental thereto; and
- (d) **Part IV** deals with the general terms and conditions as applicable to this Scheme and schedules, if any.



PART I – DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Scheme, unless inconsistent with the subject or context or meaning thereof, the following terms and expressions shall have the following meanings as set out herein below:

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

“Applicable Law(s)” mean any national, foreign, provincial, local or other law, statute, enactment, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, treaties, decrees, circulars, ordinance, orders, judgements, decisions 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, and any clearance, approval, notes, requirement, writ, injunction, directions, arbitral award or any similar form of determination by or decision of, or agreements with, any Appropriate Authority, in each case having the force of law and being binding on or applicable to any Person, whether in effect on the date on which this Scheme has been approved by the Boards or at any time thereafter;

“Appointed Date” means 1st October, 2026, or such other date as the Hon’ble NCLT or such other Appropriate Authority may decide/ approve, being the date with effect from which the Scheme shall become effective and / or be deemed to have become effective as stated herein;

“Appropriate Authority(ies)” means and includes any governmental body (central, state or local Government), legislative body, statutory body, departmental or public body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, or any other authorities operating under the force of law, including but not restricted to the Registrar of Companies, jurisdictional Regional Director appointed by the Ministry of Corporate Affairs, various Hon’ble NCLT Benches, the Stock Exchanges, SEBI, Income Tax Authorities and other applicable authorities to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law as may be relevant in the context;

“Authorized Share Capital” has the meaning assigned under Section 2(8) of the Act;

“Board of Directors” or “Board” in relation to Companies, as the case may be, means the Board of Directors of such respective company, and shall include a duly constituted committee or sub-committee thereof or any Person authorised by such Board of Directors or any Person authorised by such committee or sub-committee duly constituted or appointed by the Board and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

“BSE” means BSE Limited;

“CIN” means Corporate Identification Number issued by the Registrar of Companies;

“Companies” shall collectively mean the Demerged Company and the Resulting Company and

“Company” means any one of them as the context may require;

“CSE” means The Calcutta Stock Exchange Limited;

“DBRL” or “Demerged Company” means Dalmia Bharat Refractories Limited (CIN: L26100TN2006PLC061254) (PAN: AAKCS3708G), a public company limited by shares and listed on MSEI & CSE, incorporated on 4th October 2006 under the provisions of the Companies Act, 1956,



and having its registered office at Dalmiapuram, District Tiruchirappalli, Tamil Nadu, India – 621651;

“Demerged Undertaking” means the Tyre Business of Demerged Company comprising of all related properties, assets, debts, Liabilities, duties, obligations, rights, benefits, Incentives (including application therefor), exemptions, subsidies, concessions, refunds and powers, on a going concern basis, representing an undertaking in compliance with Section 2(35) of the Income Tax Act, (whether appearing in name of Demerged Company or in name of predecessor entities holding the Demerged Undertaking), including the immovable properties as set out in **Schedule I**, which shall be transferred to and vested in the Resulting Company (*as defined below*) upon Demerger from the Demerged Company in terms of Part III of this Scheme. Without prejudice and limitation to the generality of the above, the Demerged Undertaking means and includes:

- (i) all the licences, approvals, permits and authorisations and any and all of its licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on the Tyre Business or in connection therewith and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or authorisations, including pending applications), permissions, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of losses and credits under any tax laws for the time being in force (including, without limitation income tax, service tax, applicable state value added tax, goods and service tax etc.) benefit of any exemptions and privileges.
- (ii) authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company with respect to the Demerged Undertaking and other interests in connection with or relating to the Tyre Business, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Tyre Business, plant, machinery, equipment, whether leased or otherwise;
- (iii) any and all assets and property relating to or arising from the activities and operations of Tyre Business (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including but not limited to intellectual property (including all copyrights, patents, trademarks, trade names, trade secrets, domain names, etc.), inventory (including all raw material, work in progress inventory, packaging material, goods in transit/ stored at depots or warehouses, finished products inventory, etc.), factory buildings, plant and machinery, capital work-in progress, furniture, fixtures, office equipment, computer software and bank licenses, appliances, accessories, vehicles, cash and balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements;
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other Persons, earnest monies and/or security deposits paid or received by the Demerged Company directly or indirectly in connection with the Tyre Business;
- (v) investment in HBTMPL held by the Demerged Company, cash balances with the other banks, money at call and short notice, loans, advances, pertaining to or attributable to the Tyre Business;
- (vi) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e-mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and



former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Tyre Business;

- (vii) all Records relating to the Tyre Business, available with the Demerged Company;
- (viii) the Transferred Employees of the Tyre Business including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, claims, employee welfare benefits and applicable collective bargaining agreements associated with the Transferred Employees of Tyre Business;
- (ix) all insurance policies (other than those taken for the Demerged Company as a whole or without reference to specific assets relating to the Tyre Business) obtained in relation to the Transferred Employees or operations of the Tyre Business;
- (x) all Legal Proceedings(s);
- (xi) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the Tyre Business and benefits thereunder, including, inter alia, licenses granted to the Demerged Company for use and access of any intellectual property in relation to the Tyre Business, leasehold interest, memberships, powers and facilities every kind and description whatsoever pertaining to the Tyre Business of the Demerged Company;
- (xii) all debts, non-convertible debentures (obtained from Resulting Company or otherwise), borrowings, Liabilities including contingent liabilities, whether past, present or future, relating to, or arising out of the activities or operations of the Tyre Business prior or after the Appointed Date, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Tyre Business, bank overdrafts (if any), working capital loans and liabilities (including letter of credit and bank guarantees), amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or un-asserted, matured or not, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract, or tort based on negligence or strict liability), pertaining to the Tyre Business;
- (xiii) contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of enjoyed by the Tyre Business or to which the Tyre Business may be entitled;
- (xiv) all Incentives, being incentives, subsidies, grants, industrial promotion assistance, capital investment subsidies, interest subsidies, power tariff and electricity duty concessions, state goods and services tax reimbursements, export incentives, duty drawback and remission entitlements, employee related incentives and benefits and all other fiscal and non-fiscal benefits, whether availed, accrued, sanctioned, claimed, applied for or capable of being applied for, and whether or not quantified as on the Appointed Date, granted or available to the Demerged Company under any scheme, policy or notification of any Appropriate Authority in relation to the Tyre Business, together with all applications, claims, entitlements and pending proceedings in respect thereof;
- (xv) all brands, brand names, house marks, sub-brands, labels, get-up and trade dress used in or in relation to the Tyre Business, together with all registrations and applications therefor, all goodwill attaching thereto, and all rights to use, license, sub-license, assign, enforce and



defend the same, including the brand under which the tyres and tyre products of the Tyre Business are manufactured, marketed and sold.

It being clarified that the Demerged Undertaking shall not include any employees, assets, liabilities, action, rights, contracts or obligations belonging to and/or forming part of the Remaining Business of the Demerged Company. Any question that may arise as to whether a specified asset, liability, employee or other matter or thing forms part of the Tyre Business or the Remaining Business shall be resolved by mutual agreement between the Demerged Company and the Resulting Company;

“Demerger” means transfer and vesting of Demerged Undertaking from the Demerged Company to the Resulting Company, with effect from Appointed Date, on a going concern basis, under this Scheme in compliance with Section 2(35) of the Income Tax Act and section 230 to 232 of the Act, as provided in Part III of the Scheme;

“Effective Date” shall mean the date or last of the dates on which all the conditions and matters referred to in Clause 16 occur or have been fulfilled, obtained or waived (if and to the extent possible), as applicable in accordance with the Scheme. References in this Scheme to date of **“this Scheme becoming effective”** or **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date;

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

“Excluded Demand” means any liability on account of demand raised under Income Tax Act against the Demerged Company in respect of any prior corporate acquisition, restructuring, divestment, resolution or insolvency proceedings;

“GST” means applicable provisions of the Central Goods and Services Tax Act, 2017 and/or Integrated Goods and Services Tax Act 2017 and/or respective State Goods and Services Tax Act and/or the Union Territory Goods and Services Tax Act, 2017 along with the applicable rules made thereunder and shall include any statutory modifications, re-enactments or amendments thereof and rules made thereunder, for the time being in force;

“HBTMPL” means Himadri Birla Tyre Manufacturer Private Limited (CIN: U22119WB2016PTC271245) (PAN: AAFCD8615G), a private company limited by shares, incorporated on 01st September 2016 under the provisions of the Act and having its registered office at 23A, Netaji Subhas Road, Kolkata, West Bengal, India – 700001;

“Income Tax Act” means the Income Tax Act, 1961 or Income Tax Act, 2025, as the case may be, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force and rules and regulations, circulars, by-laws, orders, ordinances, directions, clarifications and notifications issued thereunder, each as amended from time to time and to extent in force;

“Incentive” shall mean all incentives (including those available for reviving operations of Demerged Undertaking under Odisha Industrial Development policy), subsidies, grants, industrial promotion assistance, capital investment subsidies, interest subsidies, power tariff and electricity duty concessions, state goods and services tax reimbursements, export incentives, duty drawback and remission entitlements, and all other fiscal and non-fiscal benefits, whether availed, accrued, sanctioned, claimed, applied for or capable of being applied for, and whether or not quantified as on the Appointed Date, granted or available to the Demerged Company under any scheme, policy or notification of any Appropriate Authority in relation to the Tyre Business, together with all applications, claims, entitlements and pending proceedings in respect thereof;

“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 Proceeding(s)” means proceedings of whatsoever nature, whether civil, criminal, regulatory, taxation proceedings, labour or industrial disputes, administrative or otherwise, including any notices, claims, demands, disputes, suits, actions, appeals, arbitrations, execution proceedings, revisions, writ petitions, claims or proceedings, with respect to any period, whether before or after the Appointed Date, and/or arising in respect of any act, omission, transaction, event, litigation, claim or Liability relating to the Demerged Undertaking and other proceedings pending before or initiated by any Court, statutory, regulatory, governmental, administrative, quasi-judicial authority or tribunal; and shall also include any notice, demand, show-cause notice, letter, communication, claim or intimation received from any Person, authority or governmental or regulatory body, whether or not any formal proceedings have been instituted or a claim has been formally lodged, which may reasonably be expected to result in or give rise to any such proceeding, litigation, dispute, claim or action, in connection with the Tyre Business;

“Liabilities” means all present, future, actual or contingent liabilities, debts, obligations, claims, demands, losses, damages, costs and expenses of whatsoever nature pertaining to, arising out of or in connection with the Tyre Business, whether secured or unsecured and whether in Indian Rupees or foreign currency, including borrowings, loans, interest, taxes, duties, statutory dues, guarantees, indemnities and other financial obligations, whether disclosed or undisclosed, recorded or unrecorded, together with all liabilities, obligations, consequences, costs and expenses, cost or loss arising from, relating to or in connection with any Legal Proceedings, claims, demands, notices, actions or Encumbrances pertaining to the Tyre Business, whether arising, instituted, made or asserted before or after the Appointed Date, to the extent attributable to the Tyre Business.

“MSEI” means The Metropolitan Stock Exchange of India;

“NCDs” means any and all Non-Convertible Debentures issued, allotted or to be issued or allotted, from time to time by the Demerged Company to the Resulting Company, whether issued, allotted or outstanding prior to, on or after the Appointed Date, including, *inter alia*, bearing a fixed coupon of 0.001%, redeemable on expiry of 5 years from the date of allotment, secured against all moveable and immovable assets of the Demerged Undertaking. A tranche-wise list of all NCDs issued by the Demerged Company, setting out in respect of each tranche the date of allotment, number, face value, coupon, tenor, security, redemption terms and every modification, variation, waiver or restructuring of the terms thereof.

“NCLT” or **“Hon’ble NCLT”** means the Hon’ble Bench of the National Company Law Tribunal including those having jurisdiction over the Demerged Company and Resulting Company, as the case may be;

“NCLT Sanction Order” or **“NCLT Order”** means the order of NCLT sanctioning the Scheme under Sections 230 to 232 and other applicable provisions of the Act, including any alterations, modifications, amendments made thereto and supplementary orders/directions in relation thereto;

“NSE” means National Stock Exchange of India Limited;

“PAN” means Permanent Account Number issued by the Income Tax department;

“Person” means any individual, a corporation, a partnership (whether limited or unlimited), a company, an association, a trust, a joint venture, proprietorship, a hindu undivided family, union, association of persons or any other form of enterprise (whether incorporated or not), or any Appropriate Authority or any agency, department, authority or political subdivision thereof, and shall include their respective successors, successors-in-interest and in case of an individual shall include his/ her legal representatives, administrators, executors, permitted assignees, liquidators, and heirs and in case of a trust, shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

“Records” means all current and historical books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs together with their licences, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of



present and former customers and suppliers, customer credit information, customer pricing information, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property and other records and information, in each case, to the extent exclusively or principally pertaining to, arising from, used in or attributable to the Demerged Undertaking, whether maintained or stored in physical, electronic or any other form; provided that, in respect of any records or information relating both to the Demerged Undertaking and any business or undertaking retained by the Demerged Company, only copies or extracts of the relevant portions pertaining to the Demerged Undertaking shall form part of the Records, subject to Applicable Law.

“Record Date” means the date to be fixed by the Board of the Demerged Company in consultation with the Board of the Resulting Company for the purpose of determining the eligible shareholders of the Demerged Company for issue of the Resulting Company New Shares pursuant to Clause 6 of this Scheme;

“Registrar of Companies” or “RoC” means the Registrar of Companies at Kolkata, West Bengal in relation to the Resulting Company and the Registrar of Companies at Chennai, Tamil Nadu in relation to the Demerged Company;

“Remaining Business” means all the undertakings, businesses, operations and activities of the Demerged Company, excluding the Demerged Undertaking, together with all assets, liabilities, rights, obligations, contracts, employees and other matters relating thereto, which are retained by the Demerged Company pursuant to this Scheme;

“Resulting Company” or “HSCL” means Himadri Speciality Chemical Limited (CIN: L27106WB1987PLC042756) (PAN: AAACH7475H), a public company limited by shares and listed on NSE & BSE, incorporated on 28th July, 1987 under the provisions of the Companies Act, 1956, and having its registered office at 23A, Netaji Subhas Road, 8th Floor, Suite no 15, Kolkata, West Bengal, India – 700001;

“Resulting Company New Shares” has the meaning ascribed to it in Clause 6 hereto;

“Scheme” or “the Scheme” or “this Scheme” or “Scheme of Arrangement” means this Scheme of Arrangement pursuant to Section 230 to 232 of the Act and all other applicable provisions thereunder, in its present form, with such modification(s) and amendments as may be made from time to time as per Clause 15, submitted to the NCLT or any other Appropriate Authority with any modification(s) thereto as the NCLT or any other Appropriate Authority may require, direct or approve;

“SEBI” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

“SEBI LODR Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including all circulars and notifications issued thereunder, as amended from time to time;

“SEBI Master Circulars” means Master Circular No. SEBI/HO/CFD/POD2/P/CIR/2023/93 dated June 20th, 2023, issued by SEBI regarding Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time;

“Share Entitlement Ratio” shall have the meaning set out in Clause 6;

“Stock Exchanges” shall collectively mean NSE, BSE, MSEI and CSE;

“Transferred Employees” means employees of the Demerged Undertaking whether permanent or temporary, including employees/ personnel engaged on contract basis and contract labourers, apprentices, interns/ trainees, transferred to the Resulting Company pursuant to this Scheme;



“Tyre Business” means the business of designing, manufacturing and development of the all types of tyre and tyre products including but not limited to tubes, flaps and all intermediary products, undertaken by the Demerged Company and/or through its investments in, HBTMPL, including *inter alia* the development, production optimizing and manufacturing processes, quality control, marketing and branding for the tyre manufactured, the underlying fixed assets required for all manufacturing and support operations;

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 Act, the Income Tax Act and other Applicable Laws, rules, directions, guidelines, regulations, bye-laws, as case may be or any statutory modification or re-enactment(s) thereof for 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”, “months” and “years” shall mean calendar days, calendar months and calendar years, respectively;
- (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; and
- (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 or employee representative body (whether or not having separate legal personality);
- (i) references to any of the term 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; and
- (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.



2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as set out herein in its present form or with any modification(s), as may be approved, imposed or directed by the NCLT and /or any Appropriate Authorities, unless otherwise specified in the Scheme, shall become effective from the Appointed Date and shall be operative from the Effective Date. Upon the Scheme becoming operative on the Effective Date, the Demerger shall, for all regulatory and tax purposes, subject to applicable law, take effect from and be deemed to have taken effect from the Appointed Date.

PART II – SHARE CAPITAL

3. SHARE CAPITAL

3.1. Dalmia Bharat Refractories Limited:

The share capital structure of DBRL as on 21st September 2026 is an under:

1. Authorised Share Capital	Amount (INR)
20,00,00,000 Equity Shares of ₹ 10 each	2,00,00,00,000
10, 8% Redeemable Preference Shares of ₹ 10 each	100
Total	2,00,00,00,100
2. Issued, subscribed and paid-up Share Capital	Amount (INR)
4,58,80,044 Equity Shares of ₹ 10 each fully paid up	45,88,00,440
Total	45,88,00,440

The Board of Directors of the Demerged Company, upon receipt of request from the Resulting Company, has redeemed on 21st August 2026 its 01 (One) 8% Redeemable Preference Shares (“RPS”) of the Company, having a face value of ₹ 10 each, aggregating to ₹10 in accordance with the terms and conditions governing the issue of the RPS.

3.2. Himadri Speciality Chemical Limited:

The share capital Structure of Resulting Company as on 21st September 2026 is an under:

A. Authorised Share Capital	Amount (INR)
70,01,00,000 Equity Shares of ₹ 1 each	70,01,00,000
Total	70,01,00,000
B. Issued, subscribed and paid-up Share Capital	Amount (INR)
50,45,74,175 Equity Shares of ₹ 1 each fully paid up	50,45,74,175
Total	50,45,74,175

As on 21st September 2026 there are 53,896 outstanding ESOPs issued by HSCL.



PART III – DEMERGER OF DEMERGED UNDERTAKING FROM DEMERGED COMPANY INTO RESULTING COMPANY

4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

4.1. Upon the Scheme becoming effective, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, with effect from the Appointed Date, the Demerged Undertaking together with all its business and operations including all its assets and Liabilities shall be transferred to and vested in and/or be deemed to have been transferred to and vested in Resulting Company, as a going concern on an "as-is-where-is" basis, by way of Demerger in compliance with Section 2(35), Section 70 and other applicable provisions of the Income Tax Act and other Applicable Laws in force in India on the Effective Date, without any further act, instrument or deed, so as to become, as and from the Appointed Date, the undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme and all the rights, title and interest of the Demerged Company in the Demerged Undertaking shall, by operation of law, stand transferred to and vest in the Resulting Company;

4.2. TRANSFER OF ASSETS

Without prejudice to the generality of clause 4 above, pursuant to the provisions of Section 230 to 232 of the Act, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) all assets of the Demerged Company pertaining to the Demerged Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, or by vesting and recordal including plant, machinery and equipment, pursuant to this Scheme, whether appearing in name of Demerged Company or in name of predecessor entities holding the Demerged Undertaking, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company wherever located without requiring any deed or instrument of conveyance for transfer and vesting of the same, and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
- (ii) all other movable properties of the Demerged Company pertaining to the Demerged Undertaking (other than as set out in sub-clause (i) above), including inventories, stock in trade, or stock-in-transit, merchandising including raw materials, supplies, finished goods and packaging items, investments in shares (including investment in HBTMPL, together with all the rights, benefits, entitlements attached thereto, including right to receive dividend, voting rights and right to receive of bonus shares or any other corporate benefits arising therefrom) and any other securities, sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other Persons, shall without any further act, instrument or deed, become the property of the Resulting Company without any notice or other intimation to any Person and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- (iii) all assets, rights, title, remedies, claims, rights of action, interest and authorities held by the Demerged Company, on the Appointed Date forming part of the Demerged Undertaking, not otherwise specified in the above clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed have so become, or be vested in, the Resulting Company upon the coming into effect of this Scheme and all other applicable provisions of Applicable Laws;
- (iv) all immovable properties of the Demerged Undertaking, rights, title and interests in any leasehold properties, land together with the buildings and structures standing thereon, capital work-in-progress and rights and interests in immovable properties pertaining to the Demerged



- Undertaking, whether freehold or leased from any third party (including Appropriate Authorities) or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Resulting Company, without any further act or deed done or being required to be done by the Demerged Company and/or the Resulting Company. For the purposes of this clause, 4.2(iv) it is clarified that nothing shall prevent the Companies may, in their absolute discretion, mutually decide the manner of giving effect to the vesting of the whole or part of the right, title and interest in leasehold property and any of the immovable properties along with any attendant formalities involved, including by way of execution of appropriate deed(s), including of conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme;
- (v) the Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties including interest in leasehold properties, if any, and shall be liable to pay the transfer charges, differential premium, stamp duty, ground rent and taxes, unpaid dues, cost & charges (including interest & penalty) as applicable and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties including leasehold properties, if any, shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company, at its own cost, by the Appropriate Authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof;
 - (vi) All insurance policies relating to the Demerged Undertaking shall, subject to Applicable Law and the terms of the relevant policies, be transferred to and continue for the benefit of the Resulting Company, which shall be entitled to the benefits and to make claims thereunder. Where required, the Resulting Company shall be substituted as the insured under such policies. Until such substitution or transfer is effected, the Demerged Company shall, in cooperation with the Resulting Company, maintain such policies in force, including payment of requisite premiums, which shall be reimbursed by the Resulting Company, and facilitate claims thereunder for the benefit of the Resulting Company.
 - (vii) all subsidies, privileges, income tax benefits and exemptions, all tax holidays, rebates, indirect tax benefits and exemptions (including benefits, entitlements, exemptions, subsidies, refunds and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, entry tax, goods and services tax, as applicable), and all grants, claims, refunds, Incentives, entitlements, rights and benefits in connection with or relating to the Demerged Undertaking and all rights and benefits that have accrued or which may accrue pertaining to the Demerged Undertaking, whether on, before or after the Appointed Date, if any, 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 be and stand transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, so as to become, as and from the Appointed Date, the subsidies, privileges, income tax benefits and exemptions, tax holidays, rebates, indirect tax benefits and exemptions (including benefits, entitlements, Incentives, exemptions, subsidies, refunds and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, entry tax, goods and services tax, as applicable) other rights, benefits and Liabilities related thereto, of Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of Resulting Company, and Resulting Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to Resulting Company;
 - (viii) It is hereby clarified, that, if any notices are required to be issued by the Demerged Company for giving effect to the transfer of such incentives refunds, benefits, grants, subsidies, claims or entitlements as contemplated in the sub-clause above, the Demerged Company shall, at the cost of the Resulting Company, upon demand by the Resulting Company, issue notices in such form as the Resulting Company may reasonably require, informing the relevant authority that



the relevant refund, benefit, Incentive, grant, subsidy, claim or entitlement be paid, made good or held on account of the Resulting Company being the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company;

- (ix) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets, including registrations, licenses, trademarks, logos, service marks, copyrights, industrial designs, patents, domain names, brand names, trade names and applications relating thereto, goodwill, know-how, trade secrets and software registrations appertaining to the Demerged Undertaking, shall without any further act, instrument or deed, and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, so as to become as and from the Appointed Date, the intellectual property of Resulting Company;
- (x) all the security interest over any moveable and/or immoveable properties and security any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any Person in favour of the Demerged Company for the purposes of the Demerged Undertaking or any other Person acting on behalf of or for the benefit of the Demerged Company pertaining to the Demerged Undertaking for securing the obligations of the Persons to whom the Demerged Company has advanced loans and granted other funded and non-funded financial assistance, pertaining to the Demerged Undertaking by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be furnished in favour of the Resulting Company and the benefit of such security shall be available to the Resulting Company as if such security was ab initio created in favour of the Resulting Company;
- (xi) All licences, permits, quotas, approvals, registrations, consents (whether appearing in name of Demerged Company or in name of predecessor entities holding the Demerged Undertaking) including but not limited to consent to establish and consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 ,Air (Prevention and Control of Pollution) Act, 1981, ground water licenses (whether appearing in name of Demerged Company or in name of predecessor entities holding the Demerged Undertaking), labour (including but not limited to contractual labour) related licenses, licenses for Solvents, Naphtha, Sulphur, HSD , licenses for dealing with hazardous/ Medical / Bio-medical waste, food licenses, electrical inspection licenses, rubber board licenses, trade licenses, mineral licenses (including but not limited to China clay & coal), fire licenses, weight measurement licenses and calibration (including but not limited to weight bridge, weighting scales, flowmeters, vessels and all storage tanks), BIS licenses, Reach certification or any other certification obtained or applied (or to be applied) for export of products as per the regulatory requirement within India or outside India , factory licences, boiler registrations, certificates, advance authorisation or any other license obtained for import and export no-objection certificates, authorisations, entitlements, rights, claims, leases, tenancy rights, liberties, allotments, insurance covers, clearances, authorities, privileges, affiliations and easements enjoyed, conferred upon, held or availed of by the Demerged Company (or any of the predecessor entities holding the Demerged Undertaking), and all rights and benefits which have accrued to the Demerged Company (or any of the predecessor entities holding the Demerged Undertaking), in relation to or in connection with the Demerged Undertaking, shall, without any further act, instrument or deed, stand transferred to and vest in, or be deemed to have been transferred to and vested in, the Resulting Company with effect from the Appointed Date, and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under Applicable Law;
- (xii) All electricity, gas, water and other utility connections relating to the Demerged Undertaking, together with the corresponding tariff arrangements, security deposits and other advances, shall, subject to Applicable Law, stand transferred to and vested in the Resulting Company without any further act, instrument or deed, on the same terms and conditions. The Resulting Company shall be entitled to the benefit of such connections, deposits and advances and shall



assume all obligations relating thereto. Any payments made by the Demerged Company in respect of such utilities after the Effective Date shall be reimbursed by the Resulting Company;

- (xiii) With effect from the Appointed Date and until such licences, permits, quotas, approvals, registrations, consents, certificates, authorisations, Incentives, subsidies, rights, claims, leases and tenancy rights are transferred, vested, recorded, effected or perfected in the records of the relevant Appropriate Authority in favour of the Resulting Company, the Resulting Company is and shall be deemed to be authorised to carry on the business and operations of the Demerged Undertaking in the name and style of the Demerged Company and under the relevant licence, permit, registration, consent or approval, as the case may be, and the Demerged Company shall extend all cooperation and execute all documents required for that purpose. It is further clarified that the Demerged Company shall not surrender, allow to lapse, vary or apply for the cancellation of any such licence, permit, registration, consent or approval relating to the Demerged Undertaking without the prior written consent of the Resulting Company.

4.3. TRANSFER OF LIABILITIES

Without prejudice to the generality of clause 4 above, pursuant to the provisions of Section 230 to 232 of the Act, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) All loans raised (whether utilized or not), Liabilities, other duties and obligations whether past, present or future, real or unreal, disclosed or undisclosed, contingent or not, recorded or unrecorded including the specific loans or borrowings incurred or undertaken by Demerged Company pertaining to the Demerged Undertaking on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Resulting Company and shall, under the applicable provisions of the Act and all other provisions of Applicable Laws, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Resulting Company as a part of the transfer of the Demerged Undertaking on the same terms and conditions as were applicable to Demerged Company, as a going concern and the same shall be assumed by Resulting Company and to the extent they are outstanding on the Effective Date, Resulting Company shall meet, discharge and satisfy the same to the exclusion of Demerged Company such that the Demerged Company shall in no event be responsible or liable in relation to any such Liabilities transferred by it.;
- (ii) The Demerged Company shall, from and after the Effective Date, stand fully and unconditionally released, discharged from and against all such Liabilities, obligations, duties and commitments transferred to the Resulting Company pursuant to this Scheme, and the Resulting Company shall have no right of recourse against the Demerged Company in respect thereof. Upon the Scheme becoming effective, the Resulting Company shall unconditionally and irrevocably indemnify, defend and hold harmless the Demerged Company and its directors, officers, employees, advisors, representatives and agents from and against all claims, demands, actions, Legal Proceedings, Liabilities, losses, damages, costs and expenses of whatsoever nature arising out of or in connection with the Demerged Undertaking or any Liability pertaining to the Demerged Undertaking, whether arising before or after the Effective Date. The Resulting Company shall, at its sole cost and expense, promptly assume and conduct the defence of all such claims and Legal Proceedings and shall, upon demand, reimburse and keep reimbursed any indemnified person mentioned above for any amount paid, incurred or suffered by them in respect thereof. This indemnity shall be a continuing obligation of the Resulting Company and shall survive the Effective Date; provided, however, that indemnity shall not apply for any Excluded Demand. For the avoidance of doubt, the Resulting Company shall remain liable to indemnify the indemnified persons in connection with any tax demand raised under the IT Act for any operations of the Tyre Business.



- (iii) The transfer and vesting of the Liability pursuant to this clause shall be without any modification of the commercial or contractual terms applicable to such Liabilities, including the applicable rate of interest, repayment schedule, security, ranking, covenants and other terms, except to the extent expressly modified by this Scheme or as may be necessary to give effect to the transfer and vesting contemplated herein. The Resulting Company shall comply with all such terms and shall not take or omit to take any action which may adversely affect the Demerged Company or result in any Liability, claim or recourse being asserted against the Demerged Company;
- (iv) In respect of the NCDs, upon the Scheme becoming effective, the Liability of the Demerged Company in respect of such NCDs, together with all interest accrued thereon and all other amounts representing any Liability in respect of the NCDs payable in respect thereof, shall stand transferred to and vest in the Resulting Company without any further act, instrument or deed and the NCDs to the extent held by the Resulting Company shall stand extinguished and cancelled and no further Liability shall subsist in respect thereof, by the operation of this Scheme;
- (v) any and all inter-se Liabilities in relation to the Demerged Undertaking between the Demerged Company and Resulting Company shall stand cancelled and cease to operate upon this Scheme becoming effective;
- (vi) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this clause 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; and
- (vii) It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other Person who is a party to any contract or arrangement by virtue of which such debts, Liabilities, duties, and obligations have arisen in order to give effect to the provisions of this clause.
- (viii) All rights, benefits, entitlements, protections and immunities available to the Demerged Company in relation to the Demerged Undertaking, including those arising from or in connection with the acquisition of the Demerged Undertaking by the Demerged Company pursuant to an insolvency proceedings, to the extent permissible under Applicable Law and subject to the terms and conditions attached thereto, shall (A) transfer to and vest in the Resulting Company upon the Scheme becoming effective; and (B) entitle the Resulting Company to claim, avail and enforce all such benefits as if it were the original beneficiary.

4.4. ENCUMBRANCE

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

- (i) The Encumbrance, if any, in terms of this Scheme, over the assets comprised in Demerged Undertaking, or any part thereof transferred to the Resulting Company, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached to, prior to the Effective Date and such Encumbrance shall not relate to or attach to any of the other assets of the Resulting Company. For the avoidance of doubt, if any assets comprised in the Demerged Undertaking have not been encumbered in respect of the Liabilities of the Demerged Undertaking, such assets shall remain unencumbered and no existing Encumbrance shall be extended to or operate over such assets.
- (ii) In so far as any Encumbrance over the assets comprised in the Demerged Undertaking, are security for liabilities of the Remaining Business of Demerged Company, 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 Demerged Undertaking, shall stand released and discharged from the obligations and security relating to the same and the Encumbrance shall only extend to and continue to operate against the assets retained with Demerged Company and shall cease to



operate against any of the assets transferred to the Resulting Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

- (iii) In so far as any Encumbrance over the assets comprised in the Remaining Business of Demerged Company are security for the related Liabilities of Demerged Undertaking, 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 and the Encumbrance shall only extend to and continue to operate against the assets transferred to the Resulting Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (iv) Provided that in case any question arises pertaining to the mechanism as set out above, the same shall be decided by mutual agreement between the Companies, lenders pertaining to the Demerged Undertaking, lender of Resulting Company and Demerged Company, as the case may be.
- (v) any reference in any security documents or arrangements (to any party pertaining to the Demerged Undertaking) to the Demerged Company and their assets and properties, shall be construed as a reference to the respective Resulting Company and the assets and properties of the Demerged Undertaking transferred to Resulting Company pursuant to this Scheme.
- (vi) Without prejudice to the foregoing provisions, upon the Scheme becoming effective, the Resulting Company/ Demerged Company may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the RoC to give formal effect to the above provisions, if required. The Resulting Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company inter alia in its capacity as the successor-in-interest of the Demerged Company in relation to the Demerged Undertaking.
- (vii) the provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions. The Scheme shall not operate to enlarge the Encumbrances in respect of the Liabilities of the Demerged Undertaking over the properties, assets, rights, benefits and interests of the Resulting Company as existing immediately prior to the Effective Date.

4.5. BANK ACCOUNTS

Upon coming into effect of this Scheme and subject to other provisions of this Scheme:

- (i) Pursuant to the Scheme coming into effect, the name of the Resulting Company shall be updated and the Resulting Company shall be the account holder with respect to all bank accounts of the Demerged Company which relate solely to the Demerged Undertaking.
- (ii) With effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company for the Demerged Undertaking have been updated to record the name of the Resulting Company as the account holder, the Resulting Company shall be entitled to operate such bank accounts of the Demerged Company in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, pay orders, electronic fund transfers (such as NEFT, RTGS, etc.) which are in the name of the Demerged Company and received or presented for encashment after the Effective Date and relate to the Demerged Undertaking, shall be deemed to have been in the name of the Resulting Company and shall be accepted by the Demerged Company and promptly credited to the account of the Resulting Company, or if presented by the Resulting Company or received through electronic transfers and shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company. Similarly, the banker of the Resulting Company shall honour all cheques/ electronic fund transfer instructions issued by the Demerged Company for payment prior to the Effective Date in relation to Demerged Undertaking. The Resulting Company shall be allowed to maintain bank accounts that are in the name of the Demerged Company, for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged



Company, subject to Applicable Law. It is hereby expressly clarified that any Legal Proceedings by or against the Demerged Company in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments including letter of credit and bank guarantees(s), payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

4.6. CONTRACTS

Upon coming into effect of this Scheme and subject to other provisions of this Scheme:

- (i) all contracts including business, design, patents, technology, software registrations etc , together with all the rights, benefits, interests, Encumbrances, entitlements arising thereof, including right to receive and/or collect dues and disburse payments, as applicable, which are subsisting or are in effect on the Effective Date, shall, notwithstanding anything to the contrary contained in the aforesaid contracts, without any further act, instrument or deed, stand transferred to the Resulting Company and continue in full force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or obligor thereto. It shall not be necessary to obtain the consent of any third party or any other Person who is a party to any such contracts, to give effect to the provisions of this clause of the Scheme. In case consent of any third party is needed, such consent would be deemed to have been recorded by such third party pursuant to such Scheme becoming effective. Provided that if the Resulting Company enters into and/or issues and/ or executes deeds, writings or confirmations or enters into any arrangements, confirmations or novation in relation to transfer of contracts, if required by the Resulting Company, the Demerged Company shall at the cost of the Resulting Company, also be party to such tripartite agreements for transfer of such contracts, only to give formal effect to the transfer, without incurring any obligation or liability (present or future) under or in relation to such contracts;
- (ii) It is hereby clarified that the Resulting Company shall be authorised to execute any such deeds, writings, confirmations, deeds of adherence, deeds of novation or other instruments on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all formalities or compliances required to be carried out or performed by the Demerged Company in relation to the Demerged Undertaking for giving effect to this Scheme.
- (iii) Without prejudice to the aforesaid, it is clarified that if any contract cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such contracts, in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected and shall hold and deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company in that regard and the Demerged Company shall make reasonable efforts to transfer such contracts to the Resulting Company (along with any benefits or Liabilities attached thereto) within the earliest possible period pursuant to the Scheme becoming effective. It is hereby clarified that any additional costs incurred for giving effect to the sub-cause shall be borne by the Resulting Company and if any cost is incurred by the Demerged Company to give effect to the transfer of contracts in this sub-clause, such cost shall be borne reimbursed by the Resulting Company and shall be treated as costs incurred on behalf of the Resulting Company;
- (iv) any and all inter-se contracts in relation to the Demerged Undertaking between the Demerged Company and Resulting Company shall stand cancelled and cease to operate upon this Scheme becoming effective;
- (v) Resulting Company shall be entitled, in relation to the Demerged Undertaking, to realise all monies, to complete and enforce all pending contracts and transactions, to accept stock and product returns and warranty claims, to raise and receive invoices, credit notes and debit notes, and to deal with customers, dealers, distributors, stockists and suppliers in the name of the Demerged Company, in so far as may be necessary, until the rights and obligations of the Demerged Undertaking have been formally transferred to or recorded in the name of the Resulting Company under such contracts and transactions. The Resulting Company shall maintain a record and account of all such dealings, and any Legal Proceeding by or against the Demerged Company arising out of any such dealing shall be instituted or continued by or against the Resulting Company.



4.7. EMPLOYEES

- (i) Upon the Scheme becoming effective, all Transferred Employees in service as on the Effective Date shall, without any further act, deed, instrument or other formality, stand transferred to and become employees of the Resulting Company, on and from the Effective Date, and the Resulting Company shall take over and assume their employment in accordance with the terms and conditions set out in this Scheme.
- (ii) Upon the effectiveness of this Scheme, Resulting Company undertakes to engage, without any interruption in service, all Transferred Employees related to the Demerged Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by contract, if any, entered into by the Demerged Company with any of the aforesaid employees. With regard to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of the Transferred Employees, upon the Scheme becoming effective, shall be continued on the same terms and conditions by Resulting Company and Resulting Company shall stand substituted for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Laws. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the Transferred Employees and the services of all the Transferred Employees for such purpose shall be treated as having been continuous.
- (iii) The Resulting Company agrees that the services of all Transferred Employees with the Demerged Company prior to the Demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/terminal benefits and to this effect the funded accumulated balances, if any, standing to the credit of Transferred Employees as a provision in the books of accounts of the Demerged Company, or in the existing provident fund, gratuity fund, superannuation fund or other such fund of which the Transferred Employees are members will be transferred to the books of accounts of the Resultant Company or such provident fund, gratuity fund, superannuation funds or other such funds nominated by the Resulting Company and/or such new fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company. The decision on whether or not Transferred Employee is part of the Demerged Undertaking, be decided by the Demerged Company, and shall be final and binding on all concerned.
- (iv) The existing gratuity fund, annuity, staff welfare scheme and any other special scheme or benefits of the Transferred Employees shall be continued on the same terms and conditions or be transferred to the existing gratuity fund, annuity, staff welfare scheme, etc., being maintained by Resulting Company or as may be created by Resulting Company for such purpose. Pending such transfer, the contributions required to be made in respect of the Transferred Employees shall continue to be made by Resulting Company to the existing funds maintained by Demerged Company. It is the intent that all the rights, duties, powers and obligations of Demerged Company in relation to such fund or funds shall become those of Resulting Company without need of any fresh approval from any Appropriate Authority.
- (v) Upon the Scheme becoming effective, Demerged Company will transfer/handover to Resulting Company, copies of employment information of all Transferred Employees, 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 relating to the Transferred Employees and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (vi) The contributions made under Applicable Laws in connection with the Transferred Employees, to the gratuity fund, leave encashment and any other special scheme or benefits created, for the period after the Appointed Date shall be deemed to be contributions made by the Resulting Company.



- (vii) Save as expressly provided in this Scheme, the Transferred Employees of Demerged Undertaking shall be entitled to such employment policies, schemes and benefits as may be determined by the Resulting Company. The Transferred Employees of Demerged Undertaking shall not, solely by virtue of becoming employees of the Resulting Company pursuant to this Scheme, be entitled to participate in or avail of any schemes or benefits applicable to or available to other employees of the Resulting Company, including any employee stock option scheme, unless otherwise determined by the Resulting Company.

4.8. LEGAL PROCEEDINGS

- (i) Upon the Scheme becoming effective, all Legal Proceedings pertaining to or arising out of the Demerged Undertaking, for any period (whether before or after the Appointed Date) shall stand transferred to and vest in the Resulting Company. All Legal Proceedings, whether pending on the Appointed Date or instituted at any time thereafter, shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or anything contained in this Scheme, but shall continue and any prosecution shall be enforced by or against the Resulting Company after the Effective Date, as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Demerged Company.
- (ii) The Resulting Company, at its own cost and expense, shall take all necessary steps to have all Legal Proceeding(s) initiated by or against the Demerged Company in relation to the Demerged Undertaking referred to in clause above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company and Resulting Company shall bear all costs, expenses, fees, damages, penalties, liabilities and other financial consequences arising in connection with the conduct, defence, prosecution, settlement or disposal of such proceedings. To the extent any Legal Proceedings cannot, pursuant to Applicable Law, be transferred to, or taken over by, the Resulting Company, such Legal Proceedings shall, to the extent legally permissible, be continued, prosecuted, defended and/or otherwise dealt with by or against the Demerged Company, as the case may be, in accordance with the instructions of the Resulting Company and entirely at the cost and expense of the Resulting Company. It is hereby expressly clarified that, notwithstanding that any such Legal Proceedings may continue to be pursued by or against the Demerged Company, the Resulting Company shall bear and be solely responsible for all liabilities, losses, damages, compensation, decrees, awards, settlements, claims, demands, costs, charges, taxes, interest, penalties and expenses, including legal and professional fees, arising out of or in connection with such Legal Proceedings, and shall promptly pay, discharge or reimburse the Demerged Company, as the case may be, for any such amount paid, suffered or incurred by the Demerged Company in connection therewith.
- (iii) Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority in relation to the Demerged Undertaking, the Demerged Company and the Resulting Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if for any reason the substitution of the Demerged Company by the Resulting Company for such proceedings does not take place or is taking unreasonable time, the Demerged Company, on the request of the Resulting Company, at the cost, tax and expenses of the Resulting Company, shall defend the same or deal with such demand, after consultation with and having regard to the advice of the Resulting Company and its advisors. The Resulting Company shall provide all information, documents, records, personnel and other assistance reasonably required by the Demerged Company for defending or dealing with any such proceedings, demands or claims and shall bear all costs and expenses incurred by the Demerged Company in connection therewith.
- (iv) The transfer, vesting and assumption of Legal Proceedings under this Scheme shall not be affected by the fact that any Legal Proceeding has not been identified, disclosed, listed or included in any statement or disclosure made in connection with the Scheme. Any Legal Proceeding which is subsequently identified and which relates to or arises from the Demerged Undertaking shall, notwithstanding such omission or non-disclosure, be deemed to constitute a Legal Proceeding pertaining to the Demerged Undertaking for the purposes of this Scheme and shall be dealt with by Resulting Company in accordance with the provisions hereof.



- (v) All Legal Proceedings, claims, disputes, demands and liabilities relating to employees and workmen forming part of and transferred with the Demerged Undertaking under this Scheme shall, with effect from the Appointed Date, stand transferred to and be assumed by Resulting Company and shall thereafter be exclusively dealt with by the Resulting Company at its own cost and expense.
- (vi) It is hereby agreed and acknowledged by the Companies that, pursuant to the Demerger and the consequent transfer of any Legal Proceedings to the Resulting Company, all rights, entitlements and obligations arising from or in connection with such Legal Proceedings shall vest exclusively in the Resulting Company. Accordingly, any amount pre-deposited by the Demerged Company in relation to such proceedings, including any amount deposited under protest or as a condition for filing an appeal, shall stand transferred to and be deemed to be held by the Resulting Company for all purposes, including compliance with statutory requirements and the realisation of any refund, adjustment, relief or other benefit arising therefrom.
- (vii) It is clarified that the Demerger Company, shall provide such reasonable assistance and cooperation as may be required by the Resulting Company, in connection with the transfer or conduct of Legal Proceedings mentioned above, provided that all costs and expenses are incurred by the Resulting Company and if it is required to be incurred by the Demerged Company, the same shall be borne and reimbursed by Resulting Company.

4.9. TREATMENT OF TAXES

- (i) All taxes (including income tax, sales tax, service tax, goods and service tax, etc.) paid or payable by Demerged Company, in respect of the operations and / or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of Demerged Company, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly. Accordingly, any taxes paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to the Demerged Undertaking including any payment made by way of tax deducted or collected at source, advance tax, provisional payment, earnest money, security deposit, payment under protest or otherwise, shall be treated as taxes paid or payable by the Resulting Company, and the Resulting Company shall be entitled to claim the corresponding credit, refund, adjustment or other benefit in respect thereof, to the extent permitted under Applicable Laws. The payment or discharge of any outstanding tax Liability shall not be prejudiced or otherwise affected by reason of the Demerger of the Demerged Undertaking pursuant to this Scheme.
- (ii) Any tax Liability pertains to the Demerged Undertaking which arise before/after the Appointed Date shall be borne by the Resulting Company. For the avoidance of doubt, any tax Liability pertaining to the Demerged Undertaking, whether arising, accruing, crystallising or becoming payable before, on or after the Appointed Date, shall, to the extent attributable to the Demerged Undertaking and permissible under Applicable Laws, be borne and discharged by the Resulting Company. Any such Liability paid or discharged by the Demerged Company shall be deemed to have been paid or discharged on behalf of the Resulting Company and shall be reimbursed or otherwise made good by the Resulting Company.
- (iii) Upon the coming into effect of this Scheme, Demerged Company and the Resulting Company are expressly permitted to file/revise their respective tax returns/computation of total income after giving effect to Demerger electronically in terms of applicable provisions of Income Tax Act and also revise related withholding tax certificates, including withholding tax certificates relating to transactions between Demerged Company and the Resulting Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of any tax related deductions, or any other tax related compliances or filings of forms. The Demerged Company and the Resulting Company shall also have the right to revise, reissue, amend or otherwise modify, to the extent permitted under Applicable Laws, their respective financial statements, tax returns, computations, withholding tax certificates, prescribed forms, filings, annexures and other tax-related records and documents, and to undertake all such filings, compliances and other acts as may be necessary or desirable to give effect to the provisions of this Scheme and to claim any refunds, credits, adjustments, benefits or other entitlements in respect of taxes paid or payable.. The benefits including but not limited to the amount disallowed in the hands of the Demerged Company under Section 43B or 40 (a) of the Income



- Tax Act, 1961 (corresponding to Section 37 or Section 35 of the Income-Tax Act, 2025, as applicable) for the financial years prior to the Appointed Date shall be eligible to be claimed by the Resulting Company on fulfilment of the conditions as laid down in Sections 43B or 40 (a) of the Income Tax Act, 1961 (corresponding to Section 37 or Section 35 of the Income Tax Act, 2025, as applicable) etc and other tax laws and for matters incidental thereto, if required to give effect to the provisions of this Scheme. Notwithstanding that any applicable statutory period for filing or revising any such return, statement, certificate, form or other document may have expired, the Demerged Company and the Resulting Company shall be entitled to undertake such filing, revision, amendment or other action to the extent permitted under Applicable Laws.
- (iv) all taxes (including but not limited to banking cash transaction tax, securities transaction tax, input credit, CENVAT, entry tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax or goods and services tax, as applicable, excise duty, cess, wealth tax, fringe benefit tax, etc.) payable by or refundable to or being the entitlement of the Demerged Undertaking, including all or any refunds or claims shall be treated as the tax Liability or refunds/credits/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, exemptions, rebates, credits, tax holidays, remissions, reductions and/or any other benefit, as would have been available to the Demerged Undertaking (whether appearing in the name of the Demerged Company or any of its predecessor entities holding the Demerged Undertaking), shall pursuant to the Scheme becoming effective, be available to Resulting Company.
 - (v) Upon the Scheme becoming effective, benefits associated with all GST registrations related exclusively to Demerged Undertaking (whether appearing in the name of the Demerged Company or any of its predecessor entities holding the Demerged Undertaking), and consequential electronic credit ledger balances and all eligible input tax credit shall, subject to the provisions of GST laws, stand transferred to and vest in the Resulting Company.
 - (vi) Benefit of all unutilised accumulated tax losses, including brought forward business losses, unabsorbed depreciation and other tax losses, allowances or benefits, if any, pertaining to the Demerged Undertaking as on and up to the Appointed Date, shall be available to the Resulting Company in accordance with and subject to the applicable provisions of the Income Tax Act and the rules made thereunder. Provided that, notwithstanding anything contained herein, the Demerged Company shall be entitled to utilise, set-off or otherwise avail the benefit of such tax losses, including brought forward business losses and unabsorbed depreciation, pertaining to the Demerged Undertaking, pursuant to any assessment, reassessment, rectification, appellate or other proceedings, including where any such tax losses are reduced, disallowed or otherwise modified pursuant to any assessment order, reassessment order, notice, intimation or other communication issued by the Income Tax Department or any other Appropriate authority. Accordingly, only the balance amount of such tax losses, allowances or benefits which remains valid, available and unutilised by the Demerged Company as at the Appointed Date, after giving effect to all such utilisation, set-off, disallowance, reduction or modification, shall stand transferred to and be available to the Resulting Company, subject always to the applicable provisions of the Income Tax Act. 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. Any tax benefits, Incentives, subsidies, exemptions, rebates, tax holidays, remissions, reductions, concessions and other similar benefits or entitlements under any tax laws or Applicable Laws in connection with or relating to the Demerged Undertaking, whether accrued or accruing on, before or after the Appointed Date, shall, to the extent permissible under Applicable Laws, be available to and vest in the Resulting Company.
 - (vii) Obligation pertaining to Demerged Undertaking, prior to the Effective Date, to issue or receive any statutory declaration or in any other forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or the Goods & Services Tax Act or the various State Goods & Services Tax Acts or any other Applicable Law for the time being in force, would be deemed to have been fulfilled if they are issued or received by Demerged Company and if any form relatable to period prior to the said Effective Date is received in the name of Demerged Company, it would be deemed to have been received by Resulting Company in fulfilment of their obligations.
 - (viii) If the Demerged Company makes any payment to discharge any Liabilities under tax laws that are the responsibility of the Resulting Company, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment. All expenses incurred by the Demerged Company and the Resulting Company in relation to the Demerger of the Demerged



Undertaking pursuant to this Scheme, including stamp duty expenses, if any, shall be allowed as a deduction to the respective companies in accordance with the applicable provisions of the Income Tax Act over a period of five (5) financial years commencing with the tax year in which the Appointed Date falls.

- (ix) To the extent any unpaid Liability relating to the Demerged Undertaking is transferred to the Resulting Company pursuant to this Scheme, the Resulting Company shall be entitled to claim any deduction or other benefit available under the applicable provisions of the Income Tax Act in respect of such Liability, to the extent such deduction or benefit has not already been claimed by the Demerged Company, at the time and in the manner permitted under Applicable Laws upon payment or discharge of such Liability by the Resulting Company.
- (x) Any actions taken by the Demerged Company to comply with tax laws, including payment of taxes, maintenance of records, payments, returns and filings under tax laws, in respect of the Demerged Undertaking on and from the Appointed Date shall be deemed to constitute maintenance, filing, compliance or payment by the Resulting Company with the relevant obligations under such tax laws and shall, in all proceedings, be dealt with accordingly.

4.10. The vesting of the Demerged Undertaking in the Resulting Company shall, by virtue of the provisions of this Scheme and the effect of Sections 230 to 232 of the Act, be deemed to take place at the registered office of the Resulting Company.

5. FURTHER ASSURANCE

- 5.1. Without prejudice to the provisions of the foregoing and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme.

6. CONSIDERATION

- 6.1. Upon this Scheme becoming effective and upon vesting of the Demerged Undertaking into the Resulting Company, the Resulting Company shall without any further act, issue and allot equity shares, credited as fully paid-up ("**Resulting Company New Shares**"), to the extent indicated below, to the eligible shareholders of the Demerged Company, holding fully paid-up equity shares in the Demerged Company and whose names appear in the register of members or register of beneficial owners, as maintained by the Registrar and Transfer Agent and/or the depositories, as the case may be, of the Demerged Company on the Record Date or to their respective heirs, executors, administrators, legal representatives or other successors in title as may be recognised by the Board of Directors of the Demerged Company:

*1 (One) fully paid-up equity share of face value of INR 1 (one) each of the Resulting Company shall be issued and allotted for every 260 (Two Hundred Sixty) fully paid-up equity shares of face value of INR 10 (ten) each held in the Demerged Company ("**Share Entitlement Ratio**").*

The Demerged Company shall provide the Resulting Company with the list of eligible shareholders as on the Record Date. The Resulting Company shall, without any further application or deed, issue and allot the Resulting Company New Shares to the eligible shareholders in accordance with the Share Entitlement Ratio, and the issue and allotment of such Resulting Company New Shares shall be deemed to have been effected on the Effective Date.

- 6.2. The Resulting Company New Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company and shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company from the date of allotment thereof.
- 6.3. The Share Entitlement Ratio has been determined in accordance with the recommendations contained in the joint valuation report dated 20th September 2026 issued by SSPA & Co., Chartered Accountants (Registration No. IBBI/RV-E/06/2020/126) and CA Manish Gadia (Registration No. IBBI/RV/06/2019/11646), independent Registered Valuers registered with the Insolvency and Bankruptcy Board of India ("**Valuation Report**"). The Share Entitlement Ratio so recommended has been subject to separate fairness opinions dated 20th September 2026 issued by Jajodia Equity Advisors Services Limited (SEBI Registration No. INM000013448) and Ashika Capital Limited (SEBI Registration No. INM000010536), SEBI-registered Category I Merchant Bankers ("**Fairness Opinions**"), Ashika Capital Limited having opined on the fairness and reasonableness of the Share



Entitlement Ratio from the perspective of the shareholders of the Demerged Company and Jajodia Equity Advisors Services Limited having opined on the fairness and reasonableness of the Share Entitlement Ratio from the perspective of the shareholders of the Resulting Company. The Valuation Report and the respective Fairness Opinions were placed before and considered by the respective Audit Committees, Committee of Independent Directors and Boards of Directors of the Companies at their respective meetings held on 21st September 2026. Upon consideration thereof, together with the recommendations of the respective Audit Committees and such other factors as the respective Boards considered relevant, the respective Boards, based on their independent evaluation and judgement, determined that the Share Entitlement Ratio is fair and reasonable and approved the same for the purposes of the Scheme.

- 6.4. The Demerged Company and the Resulting Company may, if required for the purpose of their respective businesses, during the pendency of the Scheme, from time to time, in accordance with the Act, rules and regulations framed by SEBI including the SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2018 and other Applicable Laws, issue securities to any Persons (including by way of a rights issue, preferential allotment or bonus issue), in the normal course of business. It is hereby clarified that the Share Entitlement Ratio mentioned in Clause 6.1 shall be adjusted for any changes in the capital structure pursuant to a corporate action undertaken by the Companies during the pendency of the Scheme and all such adjustments to the Share Entitlement Ratio and the number of Resulting Company New Shares to be issued and allotted shall be deemed to be carried out as an integral part of this Scheme and shall not require any further approval of the audit committee and/or Board and/or shareholders of the Demerged Company and/or the Resulting Company. The respective Boards of Directors of the Demerged Company and the Resulting Company are hereby authorised, without any further act or deed, to determine, approve and give effect to such adjustment and the resultant Share Entitlement Ratio and/or number of Resulting Company New Shares. It is further clarified that the approval of the members and creditors of the Resulting Company and /or the Demerged Company to this Scheme, shall be deemed to be their consent /approval for the issue and allotment of the Resulting Company New Shares to the eligible shareholders.
- 6.5. The Resulting Company New Shares shall mandatorily be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by such shareholders to the Demerged Company provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall receive the Resulting Company New Shares in dematerialized form only, provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, the Resulting Company shall issue and allot such Resulting Company New Shares in dematerialised form into a separate demat account opened by the Resulting Company in accordance with Regulation 39(2A) of SEBI LODR Regulations for the benefit of such shareholders and such shares shall be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company and/or its registrar, if permitted under Applicable Law. All costs and expenses incurred in this respect shall be borne by the Resulting Company.
- 6.6. The fractional entitlements, if any, the Board of the Resulting Company shall consolidate all such fractional entitlements and shall issue and allot the aggregate of such fractional entitlements, rounded up to the next whole number and issue consolidated Resulting Company New Shares to a trustee nominated by the Board of Resulting Company ("Trustee"), who shall hold such Resulting Company New Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such Resulting Company New Shares in the market at such price or prices and on such time or times within 90 (ninety) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.

In the event that the Trustee is unable to sell such new shares in the market, such shares may be sold through off-market transactions at such price and on such time or times as the Trustee may in its sole discretion decide, subject to Applicable Law.



- 6.7. The Resulting Company New Shares to be issued by the Resulting Company in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company. The Resulting Company New Shares to be issued to the equity shareholders of the Demerged Company held in the investor education and protection fund authority shall be issued to investor education and protection fund authority in favour of such equity shareholders by the Resulting Company.
- 6.8. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Demerged Company shall, in compliance of the applicable laws, be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme. The Board of Directors of the Demerged Company shall also be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders on account of difficulties faced during the transaction period.
- 6.9. The Resulting Company shall obtain all necessary approvals from the Appropriate Authorities, including the Reserve Bank of India, wherever required, and comply with the Foreign Exchange Management Act, 1999 and other Applicable Law for the issue and allotment of the Resulting Company New Shares, including to non-resident shareholders of the Demerged Company.
- 6.10. The Resulting Company New Shares to be issued by the Resulting Company pursuant to this Clause in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act, or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise, shall, pending allotment or settlement of any dispute by order of the NCLT or any court or otherwise, be held in abeyance by the Resulting Company or be dealt with in such manner as may be provided under Applicable Law.
- 6.11. The Resulting Company New Shares will be listed and/or admitted to trading on the Stock Exchanges where the equity shares of the Resulting Company are listed i.e., NSE & BSE. The Resulting Company shall promptly apply for listing of Resulting Company New Shares on such Stock Exchanges as may be applicable and enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for the Resulting Company. The Resulting Company New Shares shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchanges. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges other than as envisaged in this Scheme.
- 6.12. Following the listing of the Resulting Company New Shares on the Stock Exchanges, the Resulting Company shall comply with the requirement of maintaining public shareholding of at least 25% or such other minimum public shareholding as may be prescribed by the Appropriate Authority or under Applicable Law from time to time, within such timelines as may be prescribed.
- 6.13. The approval of the members of the Resulting Company to this Scheme shall be deemed to constitute due compliance with Section 62 and any other applicable provisions of the Act, the SEBI LODR Regulations, and the articles of association of the Resulting Company, and no other consent shall be required under the Act or articles of association of the Resulting Company for the issue and allotment of Resulting Company New Shares under the Scheme.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

- 7.1. Upon the Scheme coming into effect and with effect from the Appointed Date, the Demerged Company shall account for the Demerger in its books as per IND AS, prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, relevant clarifications issued by the IND AS Transition Facilitation Group of the Institute of Chartered Accountants of India, circulars issued by the Ministry of Corporate Affairs and other generally accepted accounting principles in India or any other relevant or related requirement under the Act, as applicable:

- (a) The Demerged Company, shall transfer all the assets and Liabilities, at their respective carrying amounts, pertaining to the Demerged Undertaking as appearing in the books of accounts of the Demerged Company, being transferred to and vested in the Resulting Company and



correspondingly reduce from its books of accounts the carrying amounts of such assets and Liabilities appearing on such date.

- (b) Upon recording the transfer and derecognition of the assets and Liabilities of the Demerged Undertaking as aforesaid, the Demerged Company shall recognise a liability, in respect of the distribution of the non-cash assets to its shareholders, being its owners, at the fair value of the Demerged Undertaking to be distributed, in accordance with Appendix A to IND AS 10, "Distribution of Non-cash Assets to Owners".
- (c) The carrying amount of the net assets of the Demerged Undertaking derecognised pursuant to paragraph (a) above shall be adjusted against the liability recognised pursuant to paragraph (b) above. Any resultant difference shall be recognised in the statement of profit and loss, as gain/loss on Demerger, as the case may be, in terms of Appendix A to Ind AS 10.
- (d) The Demerged Company shall restate the comparative information for the accounting impact of arrangement as stated above.
- (e) Any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the IND AS and other generally accepted accounting principles as applicable to the Demerged Company.

8. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

8.1. Upon the Scheme coming into effect, the Resulting Company shall account for the Demerged Undertaking in its books of accounts in accordance with accounting prescribed under "Acquisition Method" as laid down in IND AS 103 "Business Combinations" prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, relevant clarifications issued by the IND AS Transition Facilitation Group of the Institute of Chartered Accountants of India, circulars issued by the Ministry of Corporate Affairs and other generally accepted accounting principles in India or any other relevant or related requirement under the Act, as applicable:

- (a) The Resulting Company shall record the identifiable assets acquired (including intangible assets, whether or not recorded in the books of the Demerged Company) and liabilities assumed pertaining to the Demerged Undertaking vested in it pursuant to this Scheme, at their respective fair value as on the Appointed Date (which shall be deemed as the Acquisition Date for the purpose of Ind AS 103). Further, acquisition related costs will also be accounted in accordance with the requirements of IND AS 103;
- (b) Resulting Company shall record issuance of Resulting Company New shares at face value and shall credit to its securities premium account the aggregate premium (i.e. difference between the fair value and face value per share of the Resulting Company), if any, on the Resulting Company Equity Shares so issued and allotted pursuant to Clause 6 of this Scheme.
- (c) The inter-company balances including loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Demerged Undertaking, transferred to the Resulting Company, will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- (d) Any deficit/surplus between the value of net assets recorded pursuant to clause (a) above and the amount of fair value of Resulting Company New shares issued as per clause (b) above, after giving effect of adjustment prescribed in clause (c) above, shall be debited to Goodwill or credited to Capital Reserve, as the case may be, by the Resulting Company
- (e) Any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the IND AS and other generally accepted accounting principles as applicable to the Resulting Company

9. COMPLIANCE WITH SECTION 2(35) OF THE INCOME TAX ACT

9.1. The provision of this Scheme as it relate to the Demerger complies with the conditions relating to "Demerger" as defined and specified under Section 2(35) of the Income Tax Act. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of Section 2(35) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(35) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(35) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.



PART IV - GENERAL TERMS & CONDITIONS

10. CHANGE IN OBJECT CLAUSE OF THE RESULTING COMPANY

- 10.1. The Resulting Company shall undertake such alteration of the objects set out in Clause III of its memorandum of association to include the following clause as part of main objects, to enable the Resulting Company to carry on the business of the Demerged Undertaking, in accordance with Applicable Law and pursuant to a separate approval of the shareholders of the Resulting Company by way of a special resolution under Section 13 and other applicable provisions of the Act -

.....6. To carry on the business of makers, manufacturers, processors, producers, importers, exporters, buyers, sellers, dealers, stockists, distributors, suppliers, service providers, agents, merchants, fabricators, processors and concessionaires, within and outside India, of all kinds of rubber, tyres, tubes, flaps, tyre cord, vehicles, wheels, all semi-finished components in making of tyres (including but not limited to rubberized fabric, beads, green tyres etc.), automobile parts and components, automobile accessories, automobile consultants, tyre and logistic service provider and the raw materials, compounds, substances, derivatives, substitutes and by-products of the aforesaid materials and to prepare, press, vulcanize, repair and retread such of them as are considered expedient and to do any other activity ancillary to this (including but not limited to provision of technical and professional services related to tyres and any technology enabled services related to tyres and logistics)...

- 10.2. The Resulting Company shall make all necessary filings with the RoC and such other statutory or regulatory authorities, as may be required under Applicable Law, in connection with the aforesaid alteration of its memorandum of association pursuant to the separate approval of the shareholders of the Resulting Company.

11. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 11.1. From the Appointed Date and up to the Effective Date:

- (a) The Demerged Company shall carry on the business of the Demerged Undertaking and shall hold and stand possessed of all its assets for and on account of and in trust for Resulting Company. The Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date. Provided that, until the Effective Date, the Demerged Company shall continue to have full legal ownership, possession, control and management of the assets and business of the Demerged Undertaking and shall be entitled to deal with and operate the same in the ordinary course of business in accordance with this Clause,
- (b) The Demerged Company shall carry on the business and activities of Demerged Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or with prior written consent of Resulting Company, undertake or incur any additional Liabilities or expenditure of any nature whatsoever, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, in relation to the Demerged Undertaking; or encumber or otherwise deal with or dispose of or alter Demerged Undertaking or expand any business or part thereof relating to the Demerged Undertaking.
- (c) With effect from the Appointed Date, all the profits or income accruing or arising to Demerged Company or expenditure, Liabilities or losses arising or incurred or suffered by Demerged Company, in relation to the Demerged Undertaking, shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or Liabilities or expenditure as the case may be of Resulting Company. All taxes (including Income Tax, Service Tax, Value Added Tax, GST etc.), paid or payable whether by way of deduction at source, advance tax or otherwise, by the Demerged Company, in respect of the profits or activities or operations of business relating to the Demerged Undertaking after the Appointed Date, shall be deemed to be paid or payable on behalf of Resulting Company and shall, in all proceedings, be dealt with accordingly. Any taxes, expenditure, Liabilities or other amounts relating to the Demerged Undertaking which are paid or discharged by the Demerged Company after the Appointed Date and prior to the Effective Date shall be reimbursed by the Resulting Company to the Demerged Company, and any income or amounts received by the Demerged Company on



behalf of the Demerged Undertaking shall be accounted for between the Companies in accordance with the accounting treatment specified in the Scheme

- (d) The Demerged Company shall not vary the terms and conditions of any contracts in relation to the Demerged Undertaking except in the ordinary course of business or with the prior consent of Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company, as the case may be.
- (e) The Demerged Company and Resulting Company shall be entitled, pending sanction of the Scheme, to apply to the Appropriate Authorities as necessary under Applicable Law for such permits which the Resulting Company may require to carry on the business of Demerged Undertaking and to give effect to the Scheme.
- (f) The Demerged Company in relation to the Demerged Undertakings shall not except in the ordinary course of business or with prior written consent of the Resulting Company: (a) waive, defer or release any rights that it may have against any Person or any obligations that a Person may have towards the Demerged Company; and/or (b) commence or settle any litigation, dispute or claim or admit any Liability in any litigation, dispute or claim, as the case may be. Provided that the Demerged Company shall not be required to make any admission, concession, waiver, undertaking or settlement which, in the reasonable opinion of its legal or tax advisers, may adversely affect the Demerged Company or expose it to any Liability.
- (g) The Demerged Company with respect to the Demerged Undertaking shall not vary the terms and conditions of employment of any of its Transferred Employees without the written consent of the Resulting Company, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Demerged Company.
- (h) During the pendency of this Scheme, the Resulting Company and the Demerged Company (in relation to its businesses other than pertaining to the Demerged Undertaking) shall be free to carry on their respective business and undertake or pursue any transactions, do all such acts and deeds as may be necessary or expedient in their respective interests.
- (i) The Demerged Company shall promptly inform the Resulting Company of any material event, circumstance or development relating to the Demerged Undertaking which is reasonably likely to have a material adverse effect on the Demerged Undertaking, and the Companies shall mutually consult and cooperate in relation thereto.
- (j) Any rights, powers, authorities and privileges exercised by the Demerged Company in relation to the Demerged Undertaking during the period from the Appointed Date up to the Effective Date shall be deemed to have been exercised for and on behalf of, and as agent and trustee of, the Resulting Company, and any obligations, duties and commitments undertaken or discharged by the Demerged Company in relation to the Demerged Undertaking during such period shall be deemed to have been undertaken or discharged for and on behalf of the Resulting Company.
- (k) Similar provisions as set out in the above sub-clauses shall, to the extent applicable, apply to all transactions relating to the Demerged Undertaking undertaken or effected by the Demerged Company during the period commencing from the date of approval of the Scheme by the Board of the Demerged Company and the Resulting Company and ending on the Appointed Date.

12. WRONG POCKET ASSETS

- 12.1. No part of the Demerged Undertaking, unless otherwise specified in the terms of the Scheme, shall be retained by the Demerged Company after the Effective Date pursuant to the Demerger. If any part of the Demerged Undertaking is not transferred to the Resulting Company on the Effective Date pursuant to the Demerger, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the Demerged Undertaking, as the case may be, is transferred to the Resulting Company promptly and for no further consideration subject to Applicable Law and receipt of any approvals, consents or permissions that may be required for giving effect to such transfer. The Resulting Company shall bear and pay all costs, charges, expenses and other amounts as may be required to be incurred by the Demerged Company or the Resulting Company for giving effect to this Clause. The Demerged Company shall not be required to incur any cost or assume any liability in connection with such transfer, and all such costs, liabilities and expenses shall be borne by the Resulting Company.



- 12.2. No part of the Remaining Business shall be transferred to the Resulting Company pursuant to the Demerger. If any part of the Remaining Business is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business is transferred back to the Demerged Company, promptly and for no consideration without any liability, cost or expense being borne by the Demerged Company in connection therewith. The Resulting Company shall bear and pay all costs, charges, expenses and other amounts as may be required to be incurred by the Demerged Company or the Resulting Company for giving effect to this Clause. The Resulting Company shall ensure that no encumbrance, charge, lien or third-party right is created over such assets during the period in which such assets remain with the Resulting Company. The Resulting Company shall, during the period in which such assets remain with it, hold such assets for and on behalf of and in trust for the Demerged Company and shall ensure that no encumbrance, charge, lien or third-party right is created over such assets.
- 12.3. If the Demerged Company realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall, within such reasonable period as may be required for reconciliation and identification of such amounts, remit such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received by the Demerged Company after the Effective Date, shall be paid to the Resulting Company for no additional consideration. If the Resulting Company realizes any amounts after the Effective Date that pertain to the Remaining Business, the Resulting Company shall immediately pay such amounts to the Demerged Company.
- 12.4. The Companies shall cooperate with each other to identify, reconcile and settle any amounts received or paid by either Company which properly pertain to the business, assets or Liabilities of the other Company. Any such settlement shall be made after taking into account applicable taxes, withholding taxes, statutory deductions, refunds, reversals, bank charges and any bona fide adjustments or set-offs relating to the relevant amounts and, where applicable, shall be accompanied by appropriate supporting documentation and accounting entries in the books of the respective Companies.

13. REMAINING BUSINESS OF DEMERGED COMPANY

- 13.1. The Remaining Business and all the assets, investments, liabilities and obligations of the Demerged Company in relation thereto, shall continue to belong to and be vested in and be managed by the Demerged Company and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business and nothing in this Scheme shall operate to transfer any of the Remaining Business to the Resulting Company. For the avoidance of doubt, the Remaining Business shall include all assets, properties, rights, claims, receivables, contracts, licences, permits, employees, liabilities, obligations and contingent liabilities exclusively relating to the Remaining Business, whether or not specifically identified or recorded in the books of the Demerged Company.
- 13.2. All legal, tax and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business shall be continued and enforced against the Demerged Company. The Resulting Company shall in any event not be responsible or liable in relation to any such legal, tax and/or other proceedings by or against the Demerged Company which relate to the Remaining Business.
- 13.3. If the Resulting Company in relation to the Remaining Business, is in receipt of any demand, claim, notice and/or impleaded as a party in any of the proceedings before the Appropriate Authority, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, both the Demerged Company and Resulting Company (at the cost of the Demerged Company) shall take all such steps in the proceedings before the Appropriate Authority to replace the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to get the Demerged Company replaced in such proceedings, it shall defend the same or deal with such demand after consultation with and having regard to the advice of the Demerged Company and its legal, tax and other professional advisers. Provided that the Resulting Company shall not, without the prior written consent of the Demerged Company, make any admission, concession, settlement, compromise or undertaking which may adversely affect the Demerged Company or result in any liability being imposed upon the Demerged Company.
- 13.4. In so far as the assets of the Remaining Business of the Demerged Company are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Demerged Undertaking shall without any further act, instrument or deed be released and discharged from such security, pledge, charges or mortgages. The absence of any



formal amendment which may be required by a bank and/or financial institutions in order to affect such release shall not affect the operation of this clause.

13.5. In so far as the existing security in respect of the loans and other Liabilities relating to the Remaining Business of the Demerged Company are concerned, such security shall, without any further act, instrument or deed be continued with the Demerged Company only on the assets which are remaining with the Demerged Company.

13.6. With effect from the Appointed Date, as applicable, and up to the Effective Date:

- (a) Demerged Company shall carry on all business and activities relating to the Remaining Business of Demerged Company for and on its own behalf; and
- (b) All income, expenditure, losses or profits accruing to Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business of Demerged Company shall, for all purposes, be treated as the income, expenditure, losses or profits, as the case may be, of Demerged Company.
- (c) Any Liabilities, taxes, expenditure or other amounts relating to the Remaining Business paid or discharged by the Demerged Company during the period from the Appointed Date up to the Effective Date shall continue to be borne by and be for the account of the Demerged Company, and all income and receipts relating to the Remaining Business received by the Demerged Company during such period shall belong to and be for the account of the Demerged Company

13.7. For the avoidance of doubt, the Demerged Company shall continue to be solely responsible for all Liabilities, obligations, claims, proceedings, taxes and other exposures relating to the Remaining Business, and the Resulting Company shall not assume or be liable for any such matter merely by reason of the Demerger or the implementation of this Scheme. Similarly, no asset, right, receivable or benefit forming part of the Remaining Business shall be deemed to have been transferred to the Resulting Company merely by reason of the Demerger

14. APPLICATIONS / PETITIONS TO THE APPROPRIATE AUTHORITY

14.1. The Companies or any of them as may be required shall, make necessary applications to SEBI/ Stock Exchanges in connection with the scheme and make applications &/or petitions before the Hon'ble NCLT under Sections 230 to 232 and other applicable provisions of the Act, seeking orders for holding and/or conducting of the meetings of their respective shareholders, secured creditors and unsecured creditors, as applicable or dispensation from convening of such meetings, for sanctioning this Scheme with such modifications as may be approved by the Hon'ble NCLT, and for such other order or orders, as the Hon'ble NCLT may deem fit for sanctioning/giving effect to this Scheme.

14.2. It is clarified that the Companies shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals as may be required which the Parties may require to proceed with the Scheme and /or effect the transactions contemplated under the Scheme and to carry on the business of the Demerged Undertaking, subject to the terms and conditions as may be mutually agreed between the Parties.

15. MODIFICATION OR AMENDMENTS TO THIS SCHEME

15.1. Any modifications/ amendments/ additions/ deletions to the Scheme may only be made with the approval of the respective Boards or the person authorised on its behalf. The aforesaid powers of the Demerged Company and the Resulting Company to give effect to the modification/ amendments/ additions/ deletions to the Scheme may be exercised subject to approval of the NCLT or any other Appropriate Authorities as may be required under Applicable Law.

15.2. The Demerged Company and the Resulting Company agree that if, at any time, either of the NCLT or any Appropriate Authority directs or requires any modification or amendment of the Scheme, such modification or amendment shall not, to the extent it adversely affects the interests of the Demerged Company and/or the Resulting Company, be binding on the Demerged Company and the Resulting Company, as the case may be, except where the prior written consent of the affected party i.e. the Demerged Company and/or the Resulting Company, as the case may be, has been obtained for such modification or amendment.

15.3. Subject to Applicable Law, the approval of the shareholders of the Demerged Company and the Resulting Company to the Scheme shall be deemed to include approval for such modifications,



amendments, additions or deletions to the Scheme as may be undertaken by their respective Boards of Directors in accordance with this Clause and no separate shareholder approval shall be required where not otherwise mandated under Applicable Law. Provided that any material modification to the Scheme after receipt of SEBI's approval, including any modification required by SEBI, shall be subject to SEBI's approval, to the extent required under Applicable Law.

- 15.4. Subject to approval of the NCLT or any other Appropriate Authorities as may be required under Applicable Law, the Demerged Company and the Resulting Company (acting through their respective Boards) may, in their full and absolute discretion, jointly and as mutually agreed in writing, withdraw this Scheme prior to the Effective Date in any manner at any time.
- 15.5. On rejection of the Scheme by NCLT, revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and Liabilities whatsoever shall accrue to or be incurred inter-se between the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, Liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each party shall bear its own costs unless otherwise mutually agreed.
- 15.6. Subject to approval of the NCLT or any other Appropriate Authorities as may be required under Applicable Law, the Demerged Company and the Resulting Company (acting through their respective Boards), may, in their full and absolute discretion, jointly and as mutually agreed in writing determine jointly whether any asset, Liability, legal or other proceedings pertains to the Demerged Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.

16. CONDITIONALITY OF THE SCHEME

- 16.1. This Scheme is and shall be conditional upon and subject to the fulfilment, satisfaction or waiver, to the extent legally permissible, of the following conditions precedent, unless otherwise decided or waived by the relevant Companies:
- (a) Obtaining no-objection / observation letter from respective stock exchanges in relation to the Scheme under Regulation 37 of SEBI LODR Regulations;
 - (b) the Scheme having been approved by the requisite majority of members (passed through postal ballot/ e-voting, as applicable), and/or creditors (where applicable) of the Demerged Company and the Resulting Company as required under the Act, SEBI Master Circulars and as may be directed by the NCLT, subject to any dispensation that may be granted by the NCLT and the requisite order(s) of NCLT being obtained in this regard;
 - (c) The sanction of the Scheme by the Hon'ble NCLT under Sections 230 to 232 and other applicable provisions of the Act or by such other Appropriate Authority as may be applicable; and
 - (d) Certified copies of the NCLT Sanction Order sanctioning the Scheme being filed with the Registrar of Companies, by the respective Companies, as may be applicable;
- 16.2. Upon fulfilment and/or waiver of the conditions specified herein, the Companies shall mutually acknowledge in writing that all the conditions specified above have been fulfilled and/or waived. Notwithstanding anything contained herein, the Boards of Directors of the Demerged Company and the Resulting Company may, by mutual agreement and to the extent legally permissible, waive any of the conditions specified above.
- 16.3. Upon the approval of this Scheme by the respective shareholders and creditors of the Companies, such shareholders and creditors shall be deemed to have also resolved and accorded all consents, approvals, authorisations and permissions required under the Act, the SEBI LODR Regulations and any other Applicable Law, to the same extent applicable in relation to the Demerger and to all matters set out in, related to, arising from or consequential upon this Scheme, and no separate resolution,



consent, approval, procedure, meeting or filing shall be required to be undertaken under any provision of the Act or other Applicable Law in respect thereof.

17. COSTS, EXPENSES AND TAXES

17.1. Unless otherwise specifically provided for under the Scheme, each Company shall bear its own costs, charges and expenses, in relation to or in connection with carrying out, implementing and completing the provisions of this Scheme and/or incidental to this Scheme together with all process-related costs incurred by such Company in connection with the Scheme, including regulatory filing fees, legal fees, valuation and fairness opinion costs, expenses for convening and conducting shareholder or creditor meetings, and other professional or incidental expenses for obtaining approvals or consents in relation to the Scheme, provided that nothing in this sub-clause shall limit, prejudice or override any specific obligation of the Resulting Company to bear, pay, reimburse or discharge any cost, expense, duty, tax or Liability expressly allocated to it under this Scheme.

17.2. Subject to the above clause, the Resulting Company shall promptly pay all stamp, transfer, registration, documentary and other costs, expenses, duties and charges (including transfer, conveyance, assignment related costs, charges and any applicable notarial fees) payable in India in connection with:

- (a) the Demerger, including the stamp duty and registration fee payable (if any) with respect to the order of the NCLT approving the Scheme;
- (b) the sale, purchase, assignment, novation or transfer of the Demerged Undertaking pursuant to the order of the NCLT approving the Scheme and any property (including all the movable and immovable assets) under the Scheme, to the extent applicable;
- (c) in the event of any change in the paid-up share capital of the Resulting Company requiring any step/action in relation to Demerger to be repeated or undertaken afresh or any additional action/ compliance becomes applicable due to such change in the Resulting Company's paid up share capital, the Resulting Company shall bear such incremental/ additional / new costs and expenses incurred by the Demerged Company that arise as a result of such change of share capital of the Resulting Company, including, without limitation, costs of fresh valuation reports, fairness opinions, filings, legal fees, any other professional charges and out of pocket expenses; provided that, conversely, in the event of any change in the paid-up share capital of Demerged Company resulting in any incremental /additional/ new costs or compliance in relation to the Demerger, such costs and expenses shall be borne by Demerged Company; and
- (d) any instrument or document that this Scheme contemplates, to the extent applicable;

and the Resulting Company shall be responsible for arranging prompt payment of any and all such duties and charges, including fulfilling any administrative or reporting obligation imposed in connection with such payment. If any such stamp duty, registration fee, tax, cost, charge or expense is required to be paid or is initially paid by the Demerged Company, the Resulting Company shall promptly reimburse the Demerged Company for the same, together with any applicable interest, penalty or other charges arising solely by reason of such payment having been made by the Demerged Company.

17.3. The Resulting Company shall bear, pay and discharge all assessments, rents, rates, taxes, outgoing and impositions of whatsoever nature relating or pertaining to the operations and activities of the Demerged Undertaking pertaining to the period commencing from the Effective Date.

18. APPROVAL OF CONTRACTS, ARRANGEMENTS AND RELATED PARTY TRANSACTIONS

18.1. The approval of this Scheme by the respective shareholders of the Demerged Company and the Resulting Company, as applicable, and the sanction of the Scheme by the NCLT, shall, to the fullest



extent permitted under Applicable Law, constitute and be deemed to constitute the requisite approval, consent, sanction and authorisation of the shareholders under Section 188 of the Act and Regulation 23 of the SEBI LODR Regulations, in respect of all contracts, arrangements, transactions and related party transactions and all other contracts, arrangements, transactions, acts, deeds, matters and things which are contemplated, provided for, disclosed or arise pursuant to or in connection with this Scheme or its implementation. Accordingly, to the fullest extent permitted under Applicable Law, no separate or further approval, consent, sanction or ratification of the shareholders of the Demerged Company and/or the Resulting Company shall be required in respect of such matters, and the approval of this Scheme shall operate as an omnibus approval and authorisation for giving effect to the same.

- 18.2. The respective Boards of Directors of the Demerged Company and the Resulting Company, including the Audit Committee, and persons authorised by them, shall be entitled to take all such actions and execute all such documents, deeds, instruments and filings as may be necessary, desirable or expedient to implement and give effect to the transactions contemplated under this Scheme, without any further approval of the shareholders.

19. COST OF ACQUISITION OF SHARES OF DEMERGED COMPANY AND RESULTING COMPANY IN THE HANDS OF SHAREHOLDERS OF DEMERGED COMPANY

- 19.1. For the purposes of determining the cost of acquisition of the equity shares of the Resulting Company New Shares issued to the eligible shareholders of the Demerged Company pursuant to this Scheme, such cost shall be determined in accordance with the applicable provisions of the Income-tax Act, as amended or re-enacted from time to time. Accordingly, the cost of acquisition of the equity shares of the Resulting Company New Shares shall bear to the cost of acquisition of the equity shares held by the concerned shareholder in the Demerged Company immediately prior to the demerger the same proportion as the net book value of the assets transferred pursuant to the Demerger bears to the net worth of the Demerged Company immediately before the Demerger. The cost of acquisition of the original equity shares held by such shareholder in the Demerged Company shall, correspondingly, stand reduced by the amount so determined in respect of the equity shares of the Resulting Company New Shares.

- 19.2. For the avoidance of doubt, the aggregate cost of acquisition of the equity shares of the Demerged Company and the Resulting Company New Shares held by a shareholder immediately following the Demerger shall, to the extent prescribed under the applicable provisions of the Income-tax Act, be equal to the cost of acquisition of the equity shares held by such shareholder in the Demerged Company immediately prior to the Demerger.

20. SAVING OF CONCLUDED TRANSACTIONS

- 20.1. Nothing in this Scheme shall affect any transaction or proceedings already concluded or Liabilities incurred by the Demerged Company in relation to the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company in respect of the Demerged Undertaking.

21. SEVERABILITY

- 21.1. The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would come into effect only if the Scheme is approved in its entirety unless specifically agreed otherwise by the respective Boards of each of the Companies.

- 21.2. Subject to clause above, if any part of this Scheme is invalid, ruled illegal by any Appropriate Authority or unenforceable under the present or future laws, then subject to the decision of the Boards of each of the Companies, such part shall be severable from the remainder of this Scheme and shall not affect the validity or implementation of the other parts and/ or provisions of this Scheme, unless the deletion of such part shall cause this Scheme to become materially adverse to any Company, 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.

22. REMOVAL OF DIFFICULTIES

22.1. Subject to approval of the NCLT or any other Appropriate Authorities as may be required under Applicable Law, the Demerged Company and the Resulting Company, acting through their respective Boards, may, in their full and absolute discretion, jointly and as mutually agreed in writing:

- (a) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties, ambiguities and errors or to settle any questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and.
- (b) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

23. VALIDITY OF EXISTING RESOLUTIONS, ETC.

23.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Demerged Company relating to the Demerged Undertaking as are considered necessary by the Board of the Directors of the Resulting Company which are validly subsisting on the Effective Date be considered as resolutions of the Resulting Company. If any such resolutions have any monetary limits approved subject to the provisions of the Act or of any other Applicable Law, then the said limit, as is considered necessary by the Board of the Directors of the Resulting Company, shall be added to the limits, if any, under the like resolutions passed by the Board of Directors or duly authorised representative of the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

24. DECLARATION OF DIVIDEND, BONUS AND OTHERS

- 24.1. During the pendency of the Scheme, the Companies, hereinafter, shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, as applicable.
- 24.2. The shareholders of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association or other charter documents including the right to receive dividends and to exercise voting rights, until the Effective Date. Nothing in this Scheme shall prevent either Company from issuing fully paid-up bonus equity shares in accordance with Applicable Law.
- 24.3. Any dividend declared or paid by any Company shall not confer upon the shareholders of the other Company any express, implied or derivative right or claim to such dividend, whether before, on or after the Scheme becomes effective.
- 24.4. On and from the Appointed Date, the profits of the Demerged Undertaking shall belong to and be deemed to be the profits of the Resulting Company and shall be available to the Resulting Company for disposal of in any manner as it thinks fit.

24.5. The Demerged Company shall not utilise the profits or income of the Demerged Undertaking, if any, for any purpose, which is not in the ordinary course of its business, after the date of approval of this



Scheme by the Board of Directors or duly authorised representative, without the prior written consent of the Board of Directors of the Resulting Company.

- 24.6. The provisions of this Clause are enabling in nature and shall not confer any right on the shareholders of either Company to demand or claim any dividend (other than unclaimed dividends). The declaration or payment of dividends shall remain subject to the Act, Applicable Law and, where required, shareholder approval.

25. WITHDRAWAL OF THE SCHEME

- 25.1. If any clause of this Scheme is found to be unworkable for any reasons whatsoever or any condition or alteration imposed by any authority/Person or otherwise is unacceptable, the Demerged Company and the Resulting Company (by their respective Board of Directors and their duly authorized representatives) shall be at liberty to withdraw from this Scheme prior to the Effective Date, in any manner at any time;

26. EFFECT OF NON RECEIPT OF APPROVALS

- 26.1. In the event any of the said sanctions and approvals referred to in the preceding Clause 16 not being obtained and/or the Scheme not being sanctioned by the NCLT or any other Appropriate Authority and/or the order or orders not being passed or sanctions not being granted by NCLT as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or Liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

27. MUTUAL CO-OPERATION

- 27.1. With effect from the Effective Date, the Demerged Company and/or Resulting Company shall, upon demand by the other Company and to the extent such documents, books, Records or information are in its possession or control, provide or make available to the Company such documents, books, records and other information as may be reasonably necessary or relevant for giving effect to the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, pursuing or defending any legal, regulatory or other proceedings relating to the Demerged Undertaking, and dealing with such other matters as are incidental to or consequential upon the implementation of this Scheme.
- 27.2. It is hereby clarified that the obligation shall be limited to the furnishing or making available of existing documents, books, Records and information, and shall not require the Demerged Company to create or generate any new document, incur any expenditure or assume any further liability, obligation or responsibility on behalf of the Resulting Company, except to the extent expressly provided under this Scheme. Any costs, expenses or other amounts incurred by the Demerged Company in connection with or pursuant to any such obligation shall be promptly reimbursed by the Resulting Company to the Demerged Company, provided that such costs and expenses are reasonable and properly incurred.

28. ADMINISTRATIVE CONVENIENCE

- 28.1. Notwithstanding anything contained in other clauses of this Scheme, Demerged Company (at the cost of Resulting Company) and Resulting Company, shall enter into such documents, agreements, make applications to various authorities, regulatory bodies to facilitate the uninterrupted transition of the Tyre Business from Demerged Company to Resulting Company.

Notwithstanding anything contained in other clauses of this Scheme but in accordance with the Act and other Applicable Law, Demerged Company and Resulting Company, may enter into such documents, agreements, arrangements and make applications to various authorities, regulatory bodies to facilitate the sharing of, inter alia any common services, employees, intellectual properties and other assets (whether moveable or immoveable).



SCHEDULE I

Details of immovable properties to be transferred pursuant to the Demerger

Sl. No.	Particulars	Description
1	Land (89.29 acres)	Mouza- Chhanpur, District- Balasore, P.S.- Balasore, Thana No. 187
2	All immovable properties, including buildings constructed on the above-mentioned land	

For Dalmia Bharat Refractories Limited

Saurabh Shrivastava
Company Secretary &
Compliance Officer
ACS : 60934



For Himadri Speciality Chemical Ltd

Monika Saha
Company Secretary &
Compliance Officer
ACS: 29322

