

**COMPOSITE SCHEME OF ARRANGEMENT
AMONGST**

BHUVEE STENOVAE PRIVATE LIMITED
(Bhuvée or Transferor Company)

AND

SUNCITY METALS AND TUBES PRIVATE LIMITED
(Formerly known as Suncity Sheets Private Limited)
(Suncity or Transferee Company 1)

AND

LASER POWER & INFRA PRIVATE LIMITED
(Laser Power or Transferee Company 2)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013



PART – A GENERAL

I. PREAMBLE AND OVERVIEW OF THE SCHEME

- (a) This Composite Scheme of Arrangement ("Scheme", as more particularly defined below) is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with section 2(19AA) and other applicable provisions of the Income Tax Act, 1961 amongst Bhuvée Stenovate Private Limited ("Bhuvée" or "Transferor Company"), and Suncity Metals and Tubes Private Limited ("Suncity" or "Transferee Company 1") and Laser Power & Infra Private Limited ("Laser Power" or "Transferee Company 2") collectively known as "Transferee Companies" and their respective shareholders and creditors.
- (b) This Scheme provides for the following:
- (i) the transfer by way of a demerger of the **Demerged Undertaking 1** (as defined below) of the Transferor Company to the Transferee Company 1, and the consequent issue of Suncity RPS (as defined below) by the Transferee Company 1 to the Shareholders of Transferor Company in accordance with Clause 6 below.
 - (ii) the transfer by way of a demerger of the **Demerged Undertaking 2** (as defined below) of the Transferor Company to the Transferee Company 2, and the consequent issue of Laser Power RPS (as defined below) by the Transferee Company 2 to the Shareholders of Transferor Company in accordance with Clause 12 below, and
 - (iii) various other matters consequential or otherwise integrally connected therewith.

II. INTRODUCTION

- (a) Bhuvée Stenovate Private Limited ("Bhuvée" or "Transferor Company") is a private limited company incorporated under the Companies Act, 1956 and having its registered office at Room No. 307, Swaika Centre 4A Pollock Street, Kolkata - 700001, West Bengal. Bhuvée is, inter alia, engaged in the business of manufacturing and sale of kitchen appliances including but not limited to tableware, cookware, cutlery, bakeware and manufacturing sinks and various other steel products of general utility. Shareholding pattern of Bhuvée as on 1 April 2023 is as under:

Shareholder	Shareholding %
Laser Solar LLP	40
Devesh Goel	15
Akshat Goel	15
Mahaveer Agarwal	15
Mukesh Agarwal	15
Total	100



- (b) **Suncity Metals and Tubes Private Limited** ("Suncity" or "Transferee Company 1"), is a private limited company incorporated under the Companies Act, 1956 and having its registered office at Plot No 27A/68 Adarsh Society Light Industrial Area, Near ITI circle, Jodhpur Shastri Nagar, Jodhpur - 342003, Rajasthan. Suncity changed its name from Suncity Sheets Private Limited to Suncity Metals and Tubes Private Limited on 21.11.2023. Suncity is engaged in the business of manufacturing steel products including stainless steel pipes, packets, tubes and circles. It is recognized for its exceptional engineering, robust construction, durability, and global quality standard. It has established market presence and serves as a preferred partner for various industries such as Furniture, Kitchenware, Automobile & Ancillaries, Heat Exchanger and Fabrication, Textile and Food Industry, Railways, Industrial Engineering, Oil and Gas. Shareholding pattern of Suncity as on 1 April 2023 is as under:

Shareholder	Shareholding %
Mukesh Agarwal	19.55
Harish Agarwal	19.09
Golden Era Merchant Pvt Ltd	17.95
Mahaveer Agarwal	15.19
Ramavtar Agarwal HUF	6.67
Others (holding less than 5% shares)	21.55
Total	100.00

- (c) **Laser Power & Infra Private Limited** ("Laser Power" or "Transferee Company 2") is a private limited company incorporated under the Companies Act, 1956 and having its registered office at 4A, Pollock Street 3rd Floor, Kolkata - 700001, West Bengal. Laser Power is, *inter alia*, engaged in the business of manufacturing cables, conductors, rods, wires and other power transmission and distribution equipment for domestic and international markets. It operates under the brand name "LASER" and offers a wide range of products like aerial bunched cables, control cables, and aluminum rods. Shareholding pattern of Laser Power as on 1 April 2023 is as under:

Shareholder	Shareholding %
Deepak Goel	38.05
Rakhi Goel	13.45
Devesh Goel	25.00
Akshat Goel	16.13
Purushottam Dass Goel HUF	5.33
Others (holding less than 5% shares)	2.04
Total	100.00

III. BACKGROUND AND RATIONALE OF THIS SCHEME

- Bhuvée was incorporated on 7th November 2007, having its registered office at Kolkata, West Bengal. It is engaged in the business of manufacturing and trading of steel products.



Due to financial distress, insufficiency of funds and continuing default in repayment of borrowing, Hon'ble National Company Law Tribunal ('NCLT'), Kolkata Bench, passed an order for initiation of Corporate Insolvency Resolution Process ('CIRP') against Bhuvée on 12th March 2019 upon petition preferred by corporate creditors.

- In compliance with the Insolvency and Bankruptcy Code, 2016 ('IBC') and in accordance with the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016, the Liquidator invited offers for the sale of Bhuvée on going concern basis. Thereafter, vide the order dated 16th June 2022 passed by Hon'ble NCLT (and subsequently upheld by Hon'ble National Company Law Appellate Tribunal vide order dated 25th January 2023) confirmed the sale by private treaty in favour of the highest bidder, i.e., Laser Solar LLP, being the higher bidder in the auction process.
- Bhuvée is engaged in manufacturing and sale of i) Kitchen Appliances which includes tableware, cookware, cutlery, bakeware and manufacturing and ii) manufacturing and sale of Sink and related accessories.
- Since the inception of CIRP, the business operations of Bhuvée have been impacted significantly with an almost negligible amount of manufacturing and sales operations over the last 5 years. Additionally, most of the plant & machinery items have remained idle on account of loss of business opportunities and lack of trust and creditworthiness among the suppliers and bankers.
- Considering the above bottlenecks, steps have been taken by new management to revive the business operations to reach optimum utilization of assets. However, considering the experience from the acquisition of Bhuvée till date, Management of Bhuvée feels that it would take a significant amount of time to revive the business operations of the company even after additional infusion of funds. Further, till the business operations are revived, the existing plant & machinery would have reached their useful life leading to further erosion of net worth and losses for stakeholders.
- Accordingly, in line with the object of IBC i.e. to revive the entity and / or its business operations and to ensure the optimum utilization of existing factory building, plant & machinery and various other assets of Bhuvée, the management has agreed to undertake the demerger of existing business of Bhuvée in such a manner that each group entity / promoters, would be able to contribute towards expansion of business by optimum utilization of existing assets through internal corporate reorganization in the form of demerger of identified business undertakings of Bhuvée, as follows
 - Laser Solar LLP is owned by the promoters of Suncity and Laser Power.
 - Suncity is an established business entity having stainless steel manufacturing facilities in Rajasthan and Gujarat. One of the existing product lines of Suncity is manufacturing stainless steel circle and stainless-steel sheet packets. Both these products are primarily used for manufacturing kitchen utensils and sinks.



Accordingly, demerger of Demerged Undertaking 1 being more synergistic to existing manufacturing operations of Suncity, would result into forward extension / integration of existing business of Suncity and also give significant boost to the kitchen utensils and sink manufacturing business of Bhuvée.

- On the other hand, Laser Power is, *inter alia*, engaged in the business of manufacturing cables, conductors, rods, wires and other power transmission and distribution equipment for domestic and international markets wherein steel, iron and other metals are key raw material / ingredients. Further, Laser Power is having business presence in Kolkata for decades, with its own sales & marketing team, skilled employees, access to capital and banking facilities etc., is contemplating to diversify its business operations through expansion and making investments into various sectors.
- Accordingly, it is contemplated to perform demerger of Demerged Undertaking 2 of Bhuvée into Laser power. This would help better utilization of machinery, utilization of common pool of resources, access to capital and credit line from suppliers for expansion of business in Kolkata.
- Bhuvée shall continue to undertake certain manufacturing and trading activities.
- Management considers that demerger of business units into these companies would ensure better utilization of existing assets and resources.
- The combination of demerged undertakings and the transferee companies is a strategic fit for serving the existing market and for catering to additional volume linked to new customers.
- It would result into enhanced competitive strength, achieve cost reduction, efficiencies and productivity gains by pooling the technologies and resources of Suncity, Laser Power and Bhuvée, thereby significantly contributing to future growth and maximization of shareholder value, in line with the intent of IBC, by revival of the transferor company and / or its business.
- The scheme will also enable Bhuvée and the resulting companies to focus and enhance its respective businesses by streamlining operations and its management structure, ensuring better and more efficient management control.

The Scheme is in the best interests of the shareholders, employees, and the creditors of each of the parties.



IV. PARTS OF THE SCHEME

Though this Scheme is divided into various parts for the purpose of convenience, it is to be implemented as a single inseparable comprehensive Composite Scheme of Arrangement. This Composite Scheme of Arrangement is divided into the following parts:

- (a) Part A deals with the Background of the Parties and Rationale and Benefits of the Scheme.
- (b) Part B deals with the Definitions, Interpretation and Share Capital.
- (c) Part C deals with Demerger of the Demerged Undertaking 1 as going concern into the Transferee Company 1, in compliance with Section 2(19AA) of the Income Tax Act, 1961.
- (d) Part D deals with Demerger of the Demerged Undertaking 2 as going concern into the Transferee Company 2, in compliance with Section 2(19AA) of the Income Tax Act, 1961.
- (e) Part E deals with General Terms and Conditions applicable to the Scheme.



PART B – DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to or inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1. "Act" or "the Act" means the Companies Act, 2013, the rules made thereunder and shall include any modifications or re-enactment thereof for the time being in force.
- 1.2. "Appointed Date" for the Demerger means 1st April 2023 or such other date(s) as the board of directors of the Transferor Company and the Transferee Companies may fix or such other date(s) as the NCLT - Kolkata Bench or Jaipur Bench, or such other competent authority may approve / fix.
- 1.3. "Board of Directors" or "Board" in relation to a company, means the Board of Directors of such company, and shall have the same meaning as prescribed under the Act.
- 1.4. "Demerger" means the transfer by of demerger in accordance with the provisions of section 2(19AA) of the Income Tax Act, 1961 of the Demerged Undertaking 1 and Demerged Undertaking 2 of the Transferor Company, to the Transferee Company 1 and Transferee Company 2, respectively.
- 1.5. "Demerged Undertakings" mean Demerged Undertaking 1 and Demerged Undertaking 2.
- 1.6. "Demerged Undertaking 1" means the undertaking of the Transferor Company which is engaged in the business of manufacturing of Sink and Other kitchen apparatus including cookware and utility products for sale in India, as a going concern (as on the Appointed Date and as modified and altered from time-to-time upto the Effective Date) along with all property and assets, liabilities, employees including the following:
 - 1.6.1. All identified assets and liabilities of the Transferor Company pertaining to the Demerged Undertaking 1, however, excluding the assets and liabilities of the Transferor Company which do not form part of the Demerged Undertaking 1.
 - 1.6.2. The freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 1.
 - 1.6.3. Without prejudice to the generality of the provisions of clause (1.6.1) above, the Demerged Undertaking 1 shall include all debts, liabilities, contingent liabilities, duties, obligations and provisions and all other assets and properties, present or contingent and including but without being limited to vehicles, fixed assets, current assets, unbilled revenues, provisions, funds, leases, licenses, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile



connections, communication facilities, equipment and installations, permits, authorizations, quota rights, trademarks, copyrights, patents and intellectual properties, benefits of agreements, contracts and arrangements, inter alia, with architects, civil / structural engineers, brokers and other vendors of materials and services, labor contractors, rights, title, interest in and all obligations relating to or in connection with all applications for approvals / NOC's made by the Transferor Company to all statutory / local Authorities in connection with the Demerged Undertaking 1 and all other interests in connection with or relating to the business of manufacturing of kitchen utensils and sink and in particular the certifications, registrations with government / local authorities / statutory bodies, public sector undertakings, other industrial units, permits, allotments and other statutory registrations, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, advances, receivables, benefits, concessions, reliefs (including but not limited to the benefit/s in terms of various statutes and/ or schemes of Union, State and Local Governments / bodies and / or otherwise) and all other rights, claims and powers of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining or relatable to the Demerged Undertaking 1 and all earnest money and / or deposits including security deposits paid by the Transferor Company in connection with or relating to the Demerged Undertaking 1.

- 1.6.4. Further, the Assets includes Specified Tax benefits, MAT Credit, CENVAT credits, Goods and Services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 1.
- 1.6.5. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking 1 include:
 - 1.6.5.1. The liabilities which arise out of the activities or operations of the Demerged Undertaking 1.
 - 1.6.5.2. Specific loans and borrowings raised, incurred and utilized solely, if any for the activities or operation of the Demerged Undertaking 1.
 - 1.6.5.3. Liabilities other than those referred to in 1.6.5.1 and 1.6.5.2 above and not directly relatable to the Residual Undertaking being the amounts of general or multipurpose borrowings of the Transferor Company shall be allocated to the Demerged Undertaking 1 in the same proportion in which the value of the assets transferred under this clause bears to the total value of the assets of the Transferor Company immediately before giving effect to this Scheme.
- 1.6.6. All employees of the Transferor Company employed in the Demerged Undertaking 1, and such other employees as identified by the Board of Directors of the Transferor



Company, as on the Effective Date.

- 1.6.7. All books, records, files, papers, directly or indirectly relating to the Demerged Undertaking 1.
- 1.6.8. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking 1 or whether it arises out of the activities or operations of the Demerged Undertaking 1 shall be decided by mutual agreement between the Board of Directors of the Transferor Company and Suncity.
- 1.7. "Demerged Undertaking 2" means the undertaking of the Transferor Company which is engaged in the business of manufacturing of kitchen utensils and other steel products including Coils, as a going concern (as on the Appointed Date and as modified and altered from time-to-time up to the Effective Date) along with all property and assets, liabilities, employees including the following:
- 1.7.1. All identified assets and liabilities of the Transferor Company pertaining to the Demerged Undertaking 2, however, excluding the assets and liabilities of the Transferor Company which do not form part of the Demerged Undertaking 2.
- 1.7.2. The freehold and leasehold properties (and properties under leave and license arrangements) that are used in relation to the Demerged Undertaking 2.
- 1.7.3. Without prejudice to the generality of the provisions of clause 1.7.1 above, the Demerged Undertaking 2 shall include all debts, liabilities, contingent liabilities, duties, obligations and provisions and all other assets and properties, present or contingent and including but without being limited to vehicles, fixed assets, current assets, unbilled revenues, provisions, funds, leases, licenses, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations, permits, authorizations, quota rights, trademarks, copyrights, patents and intellectual properties, benefits of agreements, contracts and arrangements, inter alia, with architects, civil / structural engineers, brokers and other vendors of materials and services, labor contractors, rights, title, interest in and all obligations relating to or in connection with all applications for approvals / NOC's made by the Transferor Company to all statutory / local Authorities in connection with the Demerged Undertaking 2 and all other interests in connection with or relating to the business of real estate development and in particular the certifications, registrations with government / local authorities / statutory bodies, public sector undertakings, other industrial units, permits, allotments and other statutory registrations, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, advances, receivables, benefits, concessions, reliefs (including but not limited to the benefit/s in terms of various statutes and/ or schemes of Union, State and Local Governments / bodies and / or otherwise) and all other rights, claims and powers of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in



connection with or pertaining or relatable to the Demerged Undertaking 1 and all earnest money and / or deposits including security deposits paid by the Transferor Company in connection with or relating to the Demerged Undertaking 1.

- 1.7.4. Specified Tax benefits, MAT Credit, CENVAT credits, Goods and Services Tax credits, other indirect Tax credits, brought forward accumulated tax losses, unabsorbed depreciation, privileges, advantages, benefits and all other rights and facilities of every kind, nature and description, whatsoever, in relation to the foregoing and pertaining to the Demerged Undertaking 2.
- 1.7.5. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking 2 include:
- 1.7.5.1. The liabilities which arise out of the activities or operations of the Demerged Undertaking 2.
- 1.7.5.2. Specific loans and borrowings raised, incurred and utilized solely, if any for the activities or operation of the Demerged Undertaking 2.
- 1.7.5.3. Liabilities other than those referred to in (a) and (b) above and not directly relatable to the Residual Undertaking being the amounts of general or multipurpose borrowings of the Transferor Company shall be allocated to the Demerged Undertaking 2 in the same proportion in which the value of the assets transferred under this clause bears to the total value of the assets of the Transferor Company immediately before giving effect to this Scheme.
- 1.7.6. All employees of the Transferor Company employed in the Demerged Undertaking 2, and such other employees as identified by the Board of Directors of the Transferor Company, as on the Effective Date.
- 1.7.7. All books, records, files, papers, directly or indirectly relating to the Demerged Undertaking 2.
- 1.7.8. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking 2 or whether it arises out of the activities or operations of the Demerged Undertaking 2 shall be decided by mutual agreement between the Board of Directors of the Transferor Company and Laser Power.
- 1.8. "Effective Date" means the date on which the certified copies of the Order(s) or last of the Order(s), as the case may be, of the NCLT(s) sanctioning the Scheme, are filed with the respective Registrar of Companies ("RoC"). Any references in the Scheme to the words "date of coming into effect of the Scheme" or "upon the Scheme becoming effective" or "Scheme coming into effect" shall mean the "Effective Date."
- 1.9. "Laser Power RPS" means fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 10 (Rupees Ten only) each in the share capital of Transferee Company 2 and having the terms set forth in Schedule A.



- 1.10. "NCLT" means the concerned Bench of the National Company Law Tribunal at Kolkata or at Jaipur or both, as the case may be, or such other Court / Tribunal empowered to sanction the Scheme as per the provisions of the Act.
- 1.11. "Parties" shall mean the Transferor Company, Transferee Company 1 and Transferee Company 2, collectively.
- 1.12. "Record Date" shall be the same date as the Effective Date for determining the names of the Shareholders of the Transferor Company who shall be entitled to receive shares of the Transferee Companies upon the Scheme coming into effect.
- 1.13. "Residual Undertaking" means all the business, undertakings, divisions, assets and liabilities of the Transferor Company other than the Demerged Undertaking 1 and Demerged Undertaking 2 transferred to, and vested in, the Transferee Company 1 and Transferee Company 2 respectively, pursuant to this Scheme.
- 1.14. "Scheme" or "the Scheme" or "this Scheme" means this Composite Scheme of Arrangement presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 in its present form or with any modification(s) made under clause 20 of this Scheme or any modifications approved or directed by the NCLT.
- 1.15. "Suncity RPS" means fully paid-up redeemable, non-participating, non-cumulative preference shares of face value INR 1,000 (Rupees One Thousand only) each in the share capital of Transferee Company 1 and having the terms set forth in Schedule B.
- 1.16. "Transferor Company" shall have the meaning set out in Preamble I (a).
- 1.17. "Transferee Companies" means Transferee Company 1 and Transferee Company 2, collectively.
- 1.18. "Transferee Company 1" shall have the meaning set out in Preamble I (a).
- 1.19. "Transferee Company 2" shall have the meaning set out in Preamble I (a).

2. INTERPRETATION

- 2.1. References to clauses and schedules, unless otherwise provided, are to clauses and schedules of and to this scheme.
- 2.2. The headings herein shall not affect the construction or interpretation of this Scheme.
- 2.3. Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.



- 2.4. Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 2.5. References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether having separate legal personality or not).
- 2.6. An asset, contract, proceeding, resource, or other matter that is mutually agreed in writing by the Parties to be or not to be primarily relatable to or used in a Demerged Undertakings shall be deemed for the purposes of this Scheme to be or not be (respectively) primarily relatable to or used in a Demerged Undertakings.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme will be operative and effective from the Appointed Date.



4. SHARE CAPITAL

4.1. As on 31st January 2024, the share capital of Bhuvée is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<u>Equity Shares</u>	
53,10,00,000 Equity Shares of INR 10 each	531,00,00,000
Total	531,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
<u>Equity Shares</u>	
10,00,000 equity shares of INR 10 each.	1,00,00,000
Total	1,00,00,000

There is no change in the Capital structure of the Transferor Company as on this date.

4.2. As on 31st January 2024, the share capital of Suncity is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<u>Equity Shares</u>	
1,90,000 Equity shares of INR 1,000 each	19,00,00,000
<u>Preference Shares</u>	
50,000 Preference Shares of INR 1,000 each	5,00,00,000
Total	24,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
<u>Equity Shares</u>	
1,64,845 equity shares of INR 1,000 each.	16,48,45,000
<u>Preference Shares</u>	
30,000 Preference Shares of INR 1,000 each	3,00,00,000
Total	19,48,45,000

The Transferee Company 1 in its shareholder's meeting held on 08.03.2024 has passed the Ordinary Resolution for reclassification of authorized share capital. The revised authorized share capital is as under:

"The Authorized Share Capital of the Company is INR 24,00,00,000 (Rupees Twenty-Four Crores only) Comprising of INR 21,00,00,000 (Rupees Twenty-One Crores only) divided into 2,10,000 Equity shares of INR 1,000 (Rupees One Thousand only) each and INR 3,00,00,000 (Rupees Three Crores only) divided 30,000 Preference Shares of INR 1,000 (Rupees One Thousand only) each."



To give the effect of the above changes, the Transferee Company 1 has filed Form No. SH-7 (Notice to Registrar of any alteration of share) before the Registrar of Companies, Jaipur.

Further, the Transferee Company 1 in its Board meeting held on 16.03.2024 has passed the Board Resolution for conversion of 30,000 Preference Shares of INR 1,000 (Rupees One Thousand only) each total amounting of INR 3,00,00,000 (Rupees Three Crores only) into Equity Shares. Accordingly, the issued, subscribed and paid-up Capital of the Transferee Company has been changed to INR 19,48,45,000 (Rupees Nineteen Crores Forty Eight Lakhs Forty Five Thousand only) divided into 1,94,845 Equity shares of INR 1,000 (Rupees One Thousand only) each.

Further, the Transferee Company 1, in its Board meeting held on 16.03.2024, passed a resolution approving the buy-back of upto 41,211 equity shares face value of INR 1,000 (Rupees One Thousand only) each valued at INR 1,000 (Rupees One Thousand only), constituting up to 25% of the total existing paid-up equity share capital of the company. This resolution was subsequently approved by the shareholders in their extra ordinary general meeting held on 22.03.2024, through a special resolution.

4.3. As on 31st January 2024, the share capital of Laser Power is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<i>Equity Shares</i>	
8,50,000 Equity shares of INR 100 each	8,50,00,000
Total	8,50,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
<i>Equity Shares</i>	
6,39,118 equity shares of INR 100 each.	6,39,11,800
Total	6,39,11,800

There is no change in the Capital structure of the Transferee Company 2 as on this date.



**PART C – DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 1 OF
TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY 1**

**5. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 1 IN THE
TRANSFEREE COMPANY 1**

5.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking 1 (as defined in clause 1.6) shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company 1, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the manner as follows:

5.2. Transfer of Assets

5.2.1. Upon the Scheme becoming effective and subject to any agreement between the parties.

- i. all the Assets relating primarily to the Demerged Undertaking 1 and capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company 1 and shall become the property of the Transferee Company 1 in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same.
- ii. in respect of the Assets relating to the Demerged Undertaking 1 other than those specified in Clause 5.2.1.i above the same shall, on and from the Appointed Date, stand transferred to the Transferee Company 1 and to the extent such Asset is a debt, loan, receivable, advance or deposit, appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors. Provided that the Transferee Company 1 may itself, at its sole discretion and shall, at any time after coming into effect of this Scheme in accordance with the provisions hereof and shall, if so required under any law, give notices in such form as it may deem fit and proper, to each person, as the case may be, that pursuant to the Scheme becoming effective, the said debt, loan receivable, advance or deposit stands transferred and vested in the Transferee Company 1 and be paid or made good or held on account of the Transferee Company 1 as the person entitled thereto.
- iii. the Assets relating to the Demerged Undertaking 1 that are immovable in nature shall be vested in and/or be deemed to have been vested in the Transferee Company 1, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company 1. With effect from the Effective Date, the Transferee Company 1 shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this



Scheme becoming effective, be made and duly recorded in the name of the Transferee Company 1 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, and

- iv. for purposes of taking on record the name of the Transferee Company 1 in the records of the Appropriate Authorities in respect of transfer of immovable properties to the Transferee Company 1 pursuant to this Scheme, the Boards of the Transferor Company and the Transferee Company 1 may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or license (as the case may be) by the Transferor Company in favour of the Transferee Company 1.

5.3. Transfer of Liabilities

5.3.1. Upon the Scheme becoming effective, without any further act or deed, all the Liabilities, relating to the Demerged Undertaking 1 shall be transferred or deemed to be transferred to the Transferee Company 1 so as to become as and from the Appointed Date, the debts, liabilities, duties, obligations of the Transferee Company 1 which it undertakes to meet, discharge and satisfy to the exclusion of Transferor Company such that except as may be otherwise agreed between the Parties, the Transferor Company shall in no event be responsible or liable in relation to any such Liabilities relating to the Demerged Undertaking 1 and it shall not be necessary to obtain the consent of any person in order to give effect to the provisions of this Clause.

5.3.2. The provisions of this Clause 5.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates or the terms of sanction or issue or any security document, all instruments, deeds, or writings shall stand modified by the foregoing provisions, provided that the provisions of this Clause shall be subject to any agreement entered into amongst the Parties.

5.4. Legal Proceedings

5.4.1. If any legally valid, actionable and enforceable suits, actions and proceedings of whatsoever nature (hereinafter referred to as the "Proceedings") by or against the Transferor Company in connection with or pertaining to or relatable to the Demerged Undertakings, are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Scheme or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company, as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.



5.5. Employees

- 5.5.1. All the employees of the Demerged Undertaking 1 and such other employees as identified by the Board of Directors of the Transferor Company, in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company 1 on terms and conditions not less favorable as applicable to them on the Effective Date.
- 5.5.2. On and from the Effective Date, the services of the employees will be treated as having been continuous, without any break, discontinuance, or interruption, for the purpose of membership and the application of the rules or byelaws of the various Funds (as defined herein below).
- 5.5.3. As far as any provident fund liability, gratuity liability or any other liability in respect of the employees is concerned (hereinafter referred to as the "Employee Liability") of the Demerged Undertaking 1, the part of Employee Liability relating to the employees of the Demerged Undertaking shall be the liability of the Transferee Company 1.

5.6. Permits

- 5.6.1. All governmental approvals and other consents, permissions, quotas, rights, authorizations entitlements, no-objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use and which may be required to carry on the operations of the Demerged Undertaking 1, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of the Transferee Company 1 and may be enforced as fully and effectually as if, the Transferee Company had been a party, a beneficiary or an obligee thereto.
- 5.6.2. The Transferee Company 1 shall be entitled to undertake and carry out the business pertaining to the Demerged Undertaking 1 pursuant to the effectiveness of the Scheme on its own account, pending the transfer of any approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no-objection certificates and licenses, privileges, powers and facilities of every kind and description, that may be required under Applicable Law in the name of the Transferee Company 1 and would be entitled to make any applications, requests and the like in this regard.



5.7. Taxes and Taxation

- 5.7.1. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company 1 are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, Goods and Service Tax Act, 2017 and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, tax collected at source, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 5.7.2. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation, in respect of income tax, tax deducted at source, tax collected at source, goods and service tax, etc.) to which the Transferor Company is entitled in terms of Applicable Laws in relation to the Demerged Undertaking 1, shall be available to and vest in the Transferee Company 1, upon this Scheme coming into effect.
- 5.7.3. This Scheme complies with the conditions relating to "Demerger" as defined under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions of the Income Tax Act, 1961 and is intended to apply accordingly. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act, 1961 or any other law or any judicial or executive interpretation or for any other reason whatsoever, Parties shall negotiate in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.

6. CONSIDERATION

- 6.1. In consideration of the demerger of the Demerged Undertaking 1 of the Transferor Company into the Transferee Company 1, the Transferee Company 1 shall, without any further act or deed, issue and allot 10 (Ten) Suncity RPS of INR 1,000 (Rupees One Thousand only) each credited as fully paid-up of the Transferee Company 1 for every 1,167 (One Thousand One Hundred and Sixty Seven) equity shares of INR 10 (Rupee Ten only) each fully paid-up held by the equity shareholders in the Transferor Company, as on the Record Date.
- 6.2. In respect of fractional entitlements, if any:
- 6.2.1. Where a shareholder of the Transferor Company is entitled to only a fraction of one share i.e., less than one share to be allotted to him on Demerger, the said shareholder will be allotted the minimum of one Suncity RPS.
- 6.2.2. In other cases, the fractional entitlement would be rounded off to nearest integer for determining his entitlement to Suncity RPS in the Transferee company.



6.3. Suncity RPS to be issued by the Transferee Company 1 shall be issued in physical form to the Shareholders of the Transferor Company entitled thereto.

6.4. Approval of this Scheme by the shareholders of Transferee Company 1 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of Suncity RPS by Transferee Company 1 as provided in this Scheme.

7. ACCOUNTING TREATMENT FOR THE DEMERGER

7.1. Upon scheme become effective, Transferor Company and Transferee Company 1 shall account for the Demerger in their respective books of account in accordance with the method of accounting as prescribed in the applicable Accounting Standards and/or Indian Accounting Standards notified under the section 133 of the Act and other relevant provisions of the Act read with the rules made thereunder and other Generally Accepted Accounting Principles in India. The detailed description is provided below in clauses 7.2 and 7.3 below.

7.2. Accounting treatment in the books of the Transferor Company:

7.2.1. Notwithstanding anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of account as per the applicable accounting principles and as on date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Act, as notified from time to time.

7.3. Accounting treatment in the books of the Transferee Company 1:

7.3.1. The assets and liabilities of the Demerged Undertaking 1 shall be recorded in the books and account of the Transferee Company 1 at their values as appearing in the books of account of the Transferor Company immediately before the Appointed Date.

7.3.2. The paid-up share capital shall be increased by the face value of the fully paid RPS of the Transferee 1 Company issued in terms of clause 6 of the Scheme.

7.3.3. Subject to the aforesaid, the Board of Directors of the Transferor and Transferee Company 1 shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in the respective books of account of the said companies, while complying with generally accepted accounting standards as applicable.

8. AGREEMENTS, CONTRACTS AND DEEDS

8.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licenses, engagements, approvals and registrations and other instruments of whatsoever nature in connection with or pertaining to or relating to the Demerged Undertaking 1 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or



in favour of the Transferee Company 1 as the case may be, and may be enforced by or against the Transferee Company 1 as fully and effectually as if, instead of the Transferor Company, the Transferee Company 1 had been a party or beneficiary thereto.

- 8.2. The Transferee Company 1 shall, if and to the extent required by law, enter into and / or issue and / or execute deeds, writings or confirmations, to give formal effect to the provisions of this clause and to the extent that the Transferor Company is required, prior to the Effective Date, to join in such deeds, writings or confirmations, the Transferee Company 1 shall be entitled to act for and on behalf of and in the name of the Transferor Company.

9. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- 9.1. The Transferor Company shall be deemed to have been carrying on and shall carry on the business of the Demerged Undertaking 1 and related activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the respective assets of the Demerged Undertaking 1 for and on account of, and in trust for the Transferee Company 1. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- 9.2. The Transferor Company shall carry on the business of the Demerged Undertaking 1 and related activities with reasonable diligence, business prudence and shall not (without the prior written consent of the Transferee Company 1) alienate, create any charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof related to the Demerged Undertaking 1 (except in the ordinary course of business).
- 9.3. All the profits or income, taxes (including advance tax, tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company in connection with or pertaining to or relating to the Demerged Undertaking 1 or expenditure or losses arising or incurred or suffered by the Transferor Company in connection with or pertaining to or relating to the Demerged Undertaking 1 from the Appointed Date shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company 1, as the case may be.
- 9.4. Until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company 1 and except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.

10. SAVING OF CONCLUDED TRANSACTIONS

- 10.1. The transfer of the assets and liabilities of the Demerged Undertaking 1 under clause 5 above, the continuance of Proceedings under clause 5 above and the effectiveness of contracts and deeds under clause 8 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company in respect of the Demerged Undertaking 1 on or before the Effective Date, to the end and intent that the Transferee Company 1 accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.



**PART D – DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 2 OF
TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY 2**

**11. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING 2 IN THE
TRANSFEREE COMPANY 2**

11.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking 2 (as defined in clause 1.7) shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company 2, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the manner as follows:

11.2. Transfer of Assets

11.2.1. Upon the Scheme becoming effective and subject to any agreement between the parties.

- i. all the Assets relating primarily to the Demerged Undertaking 2 and capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed as the case may be to the Transferee Company 2 and shall become the property of the Transferee Company 2 in pursuance of the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same.
- ii. in respect of the Assets relating to the Demerged Undertaking 2 other than those specified in Clause 11.2.1.i above the same shall, on and from the Appointed Date, stand transferred to the Transferee Company 2 and to the extent such Asset is a debt, loan, receivable, advance or deposit, appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors. Provided that the Transferee Company 2 may itself, at its sole discretion and shall, at any time after coming into effect of this Scheme in accordance with the provisions hereof and shall, if so required under any law, give notices in such form as it may deem fit and proper, to each person, as the case may be, that pursuant to the Scheme becoming effective, the said debt, loan receivable, advance or deposit stands transferred and vested in the Transferee Company 2 and be paid or made good or held on account of the Transferee Company 2 as the person entitled thereto.
- iii. the Assets relating to the Demerged Undertaking 2 that are immovable in nature shall be vested in and/or be deemed to have been vested in the Transferee Company 2, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company 2. With effect from the Effective Date, the Transferee Company 2 shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee



Company 2 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, and

- iv. for purposes of taking on record the name of the Transferee Company 2 in the records of the Appropriate Authorities in respect of transfer of immovable properties to the Transferee Company 2 pursuant to this Scheme, the Boards of the Transferor Company and the Transferee Company 2 may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or license (as the case may be) by the Transferor Company in favour of the Transferee Company 2.

11.3. Transfer of Liabilities

11.3.1. Upon the Scheme becoming effective, without any further act or deed, all the Liabilities, relating to the Demerged Undertaking 2 shall be transferred or deemed to be transferred to the Transferee Company 2 so as to become as and from the Appointed Date, the debts, liabilities, duties, obligations of the Transferee Company 2 which it undertakes to meet, discharge and satisfy to the exclusion of Transferor Company such that except as may be otherwise agreed between the Parties, the Transferor Company shall in no event be responsible or liable in relation to any such Liabilities relating to the Demerged Undertaking 2 and it shall not be necessary to obtain the consent of any person in order to give effect to the provisions of this Clause.

11.3.2. The provisions of this Clause 11.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant Liability relates or the terms of sanction or issue or any security document, all instruments, deeds, or writings shall stand modified by the foregoing provisions, provided that the provisions of this Clause shall be subject to any agreement entered into amongst the Parties.

11.4. Legal Proceedings

11.4.1. If any legally valid, actionable and enforceable suits, actions and proceedings of whatsoever nature (hereinafter referred to as the "Proceedings") by or against the Transferor Company in connection with or pertaining to or relatable to the Demerged Undertakings, are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Scheme or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company, as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.



11.5. Employees

- 11.5.1. All the employees of the Demerged Undertaking 2 and such other employees as identified by the Board of Directors of the Transferor Company, in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company 2 on terms and conditions not less favorable as applicable to them on the Effective Date.
- 11.5.2. On and from the Effective Date, the services of the employees will be treated as having been continuous, without any break, discontinuance, or interruption, for the purpose of Membership and the application of the rules or byelaws of the various Funds (as defined herein below).
- 11.5.3. As far as any provident fund liability, gratuity liability or any other liability in respect of the employees is concerned (hereinafter referred to as the "Employee Liability") of the Demerged Undertaking 2, the part of Employee Liability relating to the employees of the Demerged Undertaking 2 shall be the liability of the Transferee Company 2.

11.6. Permits

- 11.6.1. All governmental approvals and other consents, permissions, quotas, rights, authorizations entitlements, no-objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use and which may be required to carry on the operations of the Demerged Undertaking 2, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of the Transferee Company 2 and may be enforced as fully and effectually as if, the Transferee Company had been a party, a beneficiary or an obligee thereto.
- 11.6.2. The Transferee Company 2 shall be entitled to undertake and carry out the business pertaining to the Demerged Undertaking 2 pursuant to the effectiveness of the Scheme on its own account, pending the transfer of any approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no-objection certificates and licenses, privileges, powers and facilities of every kind and description, that may be required under Applicable Law in the name of the Transferee Company 2 and would be entitled to make any applications, requests and the like in this regard.

11.7. Taxes and Taxation

- 11.7.1. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company 2 are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act,



1961, Goods and Service Tax Act, 2017 and other Tax laws, and to claim refunds and/or credit for Taxes paid (including, tax deducted at source, tax collected at source, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

11.7.2. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation, in respect of income tax, tax deducted at source, tax collected at source, goods and service tax, etc.) to which the Transferor Company is entitled in terms of Applicable Laws in relation to the Demerged Undertaking 2, shall be available to and vest in the Transferee Company 2, upon this Scheme coming into effect.

11.7.3. This Scheme complies with the conditions relating to "Demerger" as defined under Section 2(19AA), Section 47, Section 72A and other relevant sections and provisions of the Income Tax Act, 1961 and is intended to apply accordingly. If any terms or clauses of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions (including the conditions set out therein) at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act, 1961 or any other law or any judicial or executive interpretation or for any other reason whatsoever, Parties shall negotiate in good faith to modify this Scheme in a mutually satisfactory manner that ensures compliance of this Scheme with such provisions.

12. CONSIDERATION

12.1. In consideration of the demerger of the Demerged Undertaking 2 of the Transferor Company into the Transferee Company 2, the Transferee Company 2 shall, without any further act or deed, issue and allot 701 (Seven Hundred and One) Laser Power RPS of INR 10 (Rupees Ten only) each credited as fully paid-up of the Transferee Company 2 for every 800 (Eight Hundred) equity shares of INR 10 (Rupees Ten only) each fully paid-up held by the equity shareholders in the Transferor Company, as on the Record Date.

12.2. In respect of fractional entitlements, if any:

12.2.1. Where a shareholder of the Transferor Company is entitled to only a fraction of one share i.e., less than one share to be allotted to him on Demerger, the said shareholder will be allotted the minimum of one equity share.

12.2.2. In other cases, the fractional entitlement would be rounded off to nearest integer for determining his entitlement to the equity shares in the Transferee company.

12.3. Laser Power RPS to be issued by the Transferee Company 2 shall be issued in physical form to the Shareholders of the Transferor Company entitled thereto.

12.4. Approval of this Scheme by the shareholders of Transferee Company 2 shall be deemed to be in due compliance of the provisions of Section 42, Section 55 and Section 62 of the Act, and



other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of Laser Power RPS by Transferee Company 2 as provided in this Scheme.

13. ACCOUNTING TREATMENT FOR THE DEMERGER

13.1. Upon scheme become effective, Transferor Company and Transferee Company 2 shall account for the Demerger in their respective books of account in accordance with the method of accounting as prescribed in the applicable Accounting Standards and/or Indian Accounting Standards notified under the section 133 of the Act and other relevant provisions of the Act read with the rules made thereunder and other Generally Accepted Accounting Principles in India. The detailed description is provided below in clause 13.2 and 13.3.

13.2. Accounting treatment in the books of the Transferor Company:

13.2.1. Notwithstanding anything contained in any other clause in the Scheme, Transferor Company shall give effect to the demerger in its books of account as per the applicable accounting principles and as on date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Companies Act, 2013, as notified from time to time.

13.3. Accounting treatment in the books of the Transferee Company 2:

13.3.1. The assets and liabilities of the Demerged Undertaking 2 shall be recorded in the books and account of the Transferee Company 2 at their values as appearing in the books of account of the Transferor Company immediately before the Appointed Date.

13.3.2. The paid-up share capital shall be increased by the face value of the fully paid Laser power RPS of the Transferee Company 2 issued in terms of clause 12 of the Scheme.

13.3.3. Subject to the aforesaid, the Board of Directors of the Transferor and Transferee Company 2 shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in the respective books of account of the said companies, while complying with generally accepted accounting standards as applicable.

14. AGREEMENTS, CONTRACTS AND DEEDS

14.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licenses, engagements, approvals and registrations and other instruments of whatsoever nature in connection with or pertaining to or relatable to the Demerged Undertaking 2 to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company 2 as the case may be, and may be enforced by or against the Transferee Company 2 as fully and effectually as if, instead of the Transferor Company, the Transferee Company 2 had been a party or beneficiary thereto.



14.2. The Transferee Company 2 shall, if and to the extent required by law, enter into and / or issue and / or execute deeds, writings or confirmations, to give formal effect to the provisions of this clause and to the extent that the Transferor Company is required, prior to the Effective Date, to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

15. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

15.1. The Transferor Company shall be deemed to have been carrying on and shall carry on the business of the Demerged Undertaking 2 and related activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the respective assets of the Demerged Undertaking 2 for and on account of, and in trust for the Transferee Company 2. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

15.2. The Transferor Company shall carry on the business of the Demerged Undertaking 2 and related activities with reasonable diligence, business prudence and shall not (without the prior written consent of the Transferee Company 2) alienate, create any charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof related to the Demerged Undertaking 2 (except in the ordinary course of business).

15.3. All the profits or income, taxes (including advance tax, tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company in connection with or pertaining to or relating to the Demerged Undertaking 2 or expenditure or losses arising or incurred or suffered by the Transferor Company in connection with or pertaining to or relating to the Demerged Undertaking 2 from the Appointed Date shall for all purposes be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company 2, as the case may be.

15.4. Until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company 1 and except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.

16. SAVING OF CONCLUDED TRANSACTIONS

16.1. The transfer of the assets and liabilities of the Demerged Undertaking 2 under clause 11 above, the continuance of Proceedings under clause 11 above and the effectiveness of contracts and deeds under clause 14 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company in respect of the Demerged Undertaking 2 on or before the Effective Date, to the end and intent that the Transferee Company 2 accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.



17. RECLASSIFICATION / REORGANIZATION OF THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEREE COMPANY 2

17.1. Upon this Scheme becoming effective, the authorized share capital of the Transferee Company 2 shall be reclassified/. reorganized as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
<i>Equity Shares</i>	
8,50,000 Equity shares of INR 100 each	8,50,00,000
<i>Preference Shares</i>	
10,00,000 Preference Shares of INR 10 each	1,00,00,000
Total	9,50,00,000

17.2. Approval of this Scheme by the shareholders of Transferee Company 2 shall be deemed to be due compliance of the provisions of Section 13 and Section 61 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the reclassification of the authorized share capital envisaged under Clause 17.1 above.

17.3. Clause V of the Memorandum of Association of the Transferee Company 2 shall stand amended to give effect to the relevant provisions of this Scheme.



PART E – GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

18. APPLICATIONS TO THE NCLT

- 18.1. The Transferor Company, the Transferee Company 1 and Transferee Company 2 shall, with all reasonable dispatch, make applications to the NCLT, for sanctioning this Scheme for an order or orders thereof for carrying this Scheme into effect.

19. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 19.1. The Transferor Company, the Transferee Company and Transferee Company 2 by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company, the Transferee Company and Transferee Company 2 by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.
- 19.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the authorized person(s) of the Transferor Company, the Transferee Company and Transferee Company 2 may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question or doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

20. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to:

- 20.1. Approval of the Scheme by the requisite majority of the respective Shareholders and such class of persons of the Transferor Company and the Transferee Companies as may be directed by the NCLT(s).
- 20.2. Sanctions and Orders under the provisions of Section 230 to 232 of the Act being obtained by the Transferor Company and the Transferee Companies from the NCLT(s).
- 20.3. Certified Copy of the order of the NCLT(s) sanctioning the Scheme being filed with the Registrar of the Companies having jurisdiction over the Parties.
- 20.4. All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.



21. COSTS AND EXPENSES

- 21.1. All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or NCLT(s)'s order including this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Parties in such manner as may be mutually agreed.

22. RESIDUAL PROVISIONS

- 22.1. The consent of the shareholders and creditors of each of the Parties to the Scheme in accordance with the Act, as applicable, shall be deemed to be sufficient for purposes of effecting all the actions set out in this Scheme and no additional actions of the Parties shall be separately required.

23. REVOCATION OF THE SCHEME

- 23.1. In the event of any of the said sanctions and approvals referred to in clause 20 above not being obtained and / or complied with and / or satisfied and / or this Scheme not being sanctioned by the NCLT(s) and / or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Companies or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Companies shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the companies.

24. POWER TO REMOVE DIFFICULTIES

- 24.1. The authorised signatories of the Parties, either by themselves or through a committee appointed by them in this behalf, may jointly and as mutually agreed in writing, including without limitation through any definitive agreement(s) that may be entered into between the relevant Parties in relation to the Scheme:
- 24.1.1. give such directions (acting jointly) as may be mutually agreed in writing by the Parties as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter 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.



24.1.2. do all acts, deeds and things as may be necessary, desirable, or expedient for carrying the Scheme into effect, and

24.1.3. make any inclusions or exclusions (including without limitation in relation to Assets, Liabilities, Excluded Litigations and/ or the like) to the Demerged Undertakings.

25. SEVERABILITY

25.1. If any part of this Scheme is found to be invalid, unenforceable, or unworkable for any reason whatsoever, the same shall not, subject to the decision of the Boards of the respective Parties, affect the validity or implementation of the other parts and/or provisions of this Scheme.

26. RESIDUAL UNDERTAKING

26.1. The Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in the Transferor Company.

26.2. All legal, taxation or other proceedings whether civil or criminal (including proceedings before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Residual Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Residual Undertaking) shall be continued and enforced by or against the Transferor Company.

26.3. With effect from the Appointed Date and upto and including the Effective Date:

26.4. The Transferor Company shall continue and shall be deemed to have been carrying out all business and activities relating to the Residual Undertaking for and on its own behalf.

26.4.1. all profits accruing to the Transferor Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Residual Undertaking shall, for all purposes, be treated as the profits or losses of the Transferor Company; and

26.4.2. All assets and properties acquired by the Transferor Company in relation to the Residual Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.



Schedule A

1	Dividend	10% Per annum
2	Face Value	INR 10 (Rupees Ten only)
3	Term and Redemption	Redeemable at the option of the shareholder at par, either at the end of 36 months from the date of issuance or at any time thereafter until the expiration of 20 years.
4	Transferability	Transferable (as per Articles of Association of the Company)
5	Voting / non-voting	Voting (only in respect of rights affecting preference shareholders). No voting rights in respect of matters pertaining to equity shareholders.

Schedule B

1	Dividend	10% Per annum
2	Face Value	INR 1,000 (Rupees One Thousand only)
3	Term and Redemption	Redeemable at the option of the shareholders at par, either at the end of 36 months from the date of issuance or at any time thereafter until the expiration of 20 years.
4	Transferability	Transferable (as per Articles of Association of the Company)
5	Voting / non-voting	Voting (only in respect of rights affecting preference shareholders). No voting rights in respect of matters pertaining to equity shareholders.

