

NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF**R K SWAMY PRIVATE LIMITED****CIN: U74300TN1973PTC006304****IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN HANSA
VISION INDIA PRIVATE LIMITED AND R K SWAMY PRIVATE LIMITED**

DRAFT

DAY	DATE	TIME	VENUE
WEDNESDAY	JANUARY 11, 2023	05.30 P.M.	No.19, Wheatcrofts Road, Nungambakkam, Chennai-600034, Tamil Nadu

S. No.	Contents	Page Nos.
1.	Notice for convening Extraordinary General Meeting of the Equity Shareholders of M/S. R K SWAMY PRIVATE LIMITED	2 - 3
2.	Explanatory Statement as per the provisions of the Companies Act, 2013	4 - 29
3.	Scheme of Arrangement between HANSA VISION INDIA PRIVATE LIMITED (Demerged Company) and R K SWAMY PRIVATE LIMITED (Resulting Company).	30 - 49
4.	Copy of Valuation Report	50 - 63
5.	Form of Proxy	64 - 65
6.	Attendance Slip Form	66



IN THE MATTER OF SECTION 233 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 R/W COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN HANSA VISION INDIA PRIVATE LIMITED AND R K SWAMY PRIVATE LIMITED

AND

THEIR RESPECTIVE EQUITY SHAREHOLDERS AND CREDITORS

R K SWAMY PRIVATE LIMITED

A Company incorporated under the Companies Act, 1956, and having its Registered Office at No.19, Wheatcrofts Road, Nungambakkam, Chennai-600034, Tamil Nadu

Mr. SRINIVASAN K SWAMY

Managing Director

(DIN: 00505093)

.... RESULTING COMPANY

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS

To

Equity Shareholders,

R K SWAMY PRIVATE LIMITED

NOTICE is hereby given that by that a meeting of Equity Shareholders of the Resulting Company will be held on **Wednesday, January 11, 2023** at the Registered Office of the Company at No.19, Wheatcrofts Road, Nungambakkam, Chennai-600034, Tamil Nadu at **05.30 P.M.** for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement between **HANSA VISION INDIA PRIVATE LIMITED and R K SWAMY PRIVATE LIMITED** and the following resolution is being placed before the members for approval of the said Scheme by requisite majority as prescribed under Section 233(1) (b) of the Companies Act, 2013, as amended.

“RESOLVED THAT pursuant to the provisions of Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble Regional Director, South Region, Ministry of Corporate Affairs, Chennai or by any regulatory or other authorities, if and when applicable, while granting such consents, approvals and permissions, consent of the members be and is hereby accorded for Scheme of Arrangement for Demerger between Hansa Vision India Private Limited (CIN: U74900TN1988PTC015819) (‘Demerged Company’) and R K Swamy Private Limited (CIN: U74300TN1973 PTC006304) (‘the Company’ or ‘Resulting Company’) and their respective shareholders and creditors be and is hereby approved and shall become effective from September 01, 2022 (the Appointed Date);

RESOLVED FURTHER THAT Mr. Srinivasan K. Swamy (DIN: 00505093), Mr. Narasimhan K. Swamy (DIN: 00219883) Directors of the Company Mr. K Paarthasarathy, Executive Vice President- Finance and Mr. Rajagopalan Desikan, Company Secretary, be and are hereby severally authorized to take all the necessary steps to:

- a) do all such acts as may be required to comply with the provisions of the Companies Act, 2013 and all other applicable laws;
- b) evolve, decide upon or bring into effect the Scheme and make and give effect to any modifications, changes, variations, alterations or revision in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or as the Board of Directors may suo moto decide in its absolute discretion;
- c) do all such acts, deeds, matters and things whatsoever, including settling any questions, doubt or difficulty that may arise with regard to or in relation to the Scheme, as it may in its absolute discretion consider necessary, expedient, fit and proper;
- d) settle any question or difficulty that may arise with regard to the implementation of the Scheme;
- e) sign all forms, applications, petitions, documents, relating to the Scheme or delegate such authority to another person by a valid power of attorney;
- f) do all such acts and things as may be considered necessary and expedient including in relation to combination/ consolidation of the authorized share capital or any other matter incidental to or connected to or covered as a part of the said Scheme;
- g) appear and represent the Company or authorize any other person to appear and represent the Company before the jurisdictional National Company Law Tribunal as applicable and other regulatory authorities including the Central Government, Regional Director, Ministry of Corporate Affairs, Registrar of Companies, Official Liquidator, Income tax department, and before all courts of law or tribunals for the purpose of the Scheme.”

Copies of the said Scheme of Arrangement and Declaration of Solvency along with Statement of Assets & Liabilities under Section 233 can be obtained free of charge at the Registered Office of the Company at No.19, Wheatcrofts Road, Nungambakkam, Chennai-600034, Tamil Nadu. Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Company at No.19, Wheatcrofts Road, Nungambakkam, Chennai-600034, Tamil Nadu not later than 48 hours before the meeting. The copy of the Explanatory Statement as required under section 233 read with Companies (Compromise Arrangement and Amalgamation) Rules, 2016 is enclosed herewith .

Forms of proxy can be had at the Registered Office of the Company.

Mr. Srinivasan K Swamy (DIN: 00505093), Managing Director shall act as the Chairman of the said meeting and failing him, **Mr. Narasimhan K Swamy (DIN: 00219883)**, Whole Time Director of the Company, Chennai, to be the Chairman of the said meeting. The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to the subsequent approval of the Central Government (Regional Director, Southern Region, Chennai).

Dated at Chennai this Tuesday, January 10, 2023

Sd/-

Rajagopalan Desikan
M.No.A28348
Company Secretary.

REGISTERED ADDRESS:

No.19, Wheatcrofts Road, Nungambakkam, Chennai-600034, Tamil Nadu

IN THE MATTER OF SECTION 233 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 R/W COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN HANSA VISION INDIA PRIVATE LIMITED AND R K SWAMY PRIVATE LIMITED

AND

THEIR RESPECTIVE EQUITY SHAREHOLDERS AND CREDITORS

R K SWAMY PRIVATE LIMITED

A Company incorporated under the Companies Act, 1956, and having its Registered Office at No.19, Wheatcrofts Road, Nungambakkam, Chennai-600034, Tamil Nadu

Mr. SRINIVASAN K SWAMY

Managing Director

(DIN: 00505093)

.... RESULTING COMPANY

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 233 OF THE COMPANIES ACT R/W 230(3) OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016:

1. **R K SWAMY PRIVATE LIMITED** the Resulting Company is convening, holding and conducting a meeting of the Equity Shareholders for the purpose of considering and approving, the Scheme of Arrangement between **HANSA VISION INDIA PRIVATE LIMITED (Demerged Company)** and **R K SWAMY PRIVATE LIMITED (Resulting Company)**.
2. In this Statement, **HANSA VISION INDIA PRIVATE LIMITED (CIN: U74900TN1988PTC015819)**, is hereinafter referred to as "Demerged Company", and **R K SWAMY PRIVATE LIMITED (CIN: U74300TN1973PTC006304)** is hereinafter referred to as "Resulting Company".
3. **HANSA VISION INDIA PRIVATE LIMITED** was incorporated in Chennai in the State of Tamil Nadu on 06/06/1988. The Certificate of Incorporation No. of this Company is CIN: U74900TN1988PTC015819. Their Permanent Account Number AABCT3770E. Thereafter name of the Company changed from Tiruvengadam Investments Private Limited to Hansa Vision India Private Limited w.e.f. 1st May, 2012.
4. The Registered office of the above Demerged Company is situated at No.19, Wheatcrofts Road, Nungambakkam, Chennai-600034, Tamil Nadu. The email id of the Company is desikan.r@rkswamy.com.
5. The Authorised Share Capital of the Demerged Company as on 31.03.2022 is Rs.30,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Share Capital of the Applicant/Demerged Company as on

31.03.2022 is Rs. 29,60,84,510/- divided into 2,96,08,451 Equity Shares of Rs.10/- each.

6. **HANSA VISION INDIA PRIVATE LIMITED** was incorporated inter alia:

- a) *To carry on the business of advertising, publicity, design consultation, acquiring and disposing of advertising time, space or opportunities in any type of media; undertaking advertising and promotional campaigns of every nature; producing, buying, selling, hiring, leasing of Television Serials and Films, Documentaries, in celluloid, digital or video format for exhibition through various audio and visual mediums, in India and abroad; to all sections of people including Government and local bodies; to conduct, arrange, co-ordinate events, exhibitions, road shows, meets, seminars, workshops and all other modes of gatherings; to impart education of any all kind; to sell, license, hire, rent stalls for all the above purposes and to do all things that are expedient in the conduct of such events/ programmes including hospitality, travel and travel related agency services, to make them as thriving commercial and educational activities; and to develop, acquire, license and sell commercially, software, hardware and all other techniques required to protect intellectual property rights.*
- b) *To set up, take over, buy and run the business of real estate developers, land developers, brokers, agents, promoters, builders and contractors of all kinds and types of residential building and office complexes, or warehouses or factories and to develop, promote, construct, erect, alter, repair, modify, renovate, decorate or maintain whether alone or in any form of co-venture, any project of real estate development and to enter into contracts, agreements or arrangements for this purpose with individuals, partnership firms, companies, unincorporated entities and other persons having any right, title or interest in sites, lands, estates, premises, buildings, tenements etc. and to assign the whole or any part of the construction or development/ construction undertaken by the company to such third parties.*
- c) *To let on lease any owned or leased premises or parts thereof and to provide such properties, for the occupiers as tenants or licensee thereof.*
- d) *To carry on or promote or invest and fund companies or to receive investment/ funding from companies for doing businesses related to the businesses as described in above said clauses 1 to 3, and to carry on any business which can be usefully carried on in connection with any such business as aforesaid.*

7. **M/s. R K SWAMY PRIVATE LIMITED** [Resulting Company] was incorporated in Chennai in the State of Tamil Nadu on 16/02/1973, under the Certificate of Incorporation No U74300TN1973PTC006304, Their Permanent Account Number AACCR2213F. Initially, the Company was incorporated as R. K. Swamy Advertising Associates Private Limited and subsequently changed the name as R K SWAMY BBDO Advertising Private Limited. It has been changed into Public Limited Company in the name of R. K. Swamy BBDO Advertising Limited w.e.f. 01.04.1997. Further the Company reconverted into Private Limited Company in the name of R. K. Swamy BBDO Advertising Private Limited w.e.f. 26.03.2001. Thereafter the Company has changed its name to R.K. SWAMY BBDO PRIVATE LIMITED w.e.f. 21.02.2005. Further the Company has changed its name to R.K. SWAMY PRIVATE LIMITED w.e.f. 21.06.2022.

8. The Registered office of the above Resulting Company is situated No.19, Wheatcrofts Road, Nungambakkam, Chennai-600034, Tamil Nadu. The email id of the Company is secretarial@rkswamy.com The Registered Office of the Resulting Company was changed from Film Chamber Complex, 2nd Floor, 605-606, Anna Salai, Chennai 600 006 to No.19, Wheat Crofts Road, Nungambakkam, Chennai 600 034 with effect from 1st July 2018.
9. The Authorised Share Capital of the Resulting Company as on 31.03.2022 is Rs.10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Share Capital of the Applicant/ Resulting Company as on 31st March 2022 is Rs.4,08,00,000/- divided into 40,80,000 Equity Shares of Rs.10/- each.
10. The main objects of the Company M/s. R K SWAMY PRIVATE LIMITED was changed with effect from 21st June 2022, inter alia:
 - a. *To carry on the business of advertising and publicity agents, marketing and advertising consultants, planners and designers and all aspects of marketing services;*
 - b. *To carry on the business of marketing and advertising; to acquire and dispose of advertising time, space or opportunities in any media including digital, interactive, mobile and the worldwide web; to undertake advertising and promotional campaigns of every nature including consumer relationship management; to acquire and provide promotional requisites of every kind and description; and to carry on any other business which may be usefully carried on in connection with such business; and to acquire and undertake the whole or any part of similar business, which may be usefully carried on in connection therewith;*
 - c. *To adopt such means of making known and advertising the business and products of the Company as may seem expedient including, but not limited to publishing brochures, books, TV/video commercials, digital content, audio visuals, interactive websites, and Market Planning Guides in whatever name called;*
 - d. *To carry on or promote or invest/fund/acquire companies and/or enter into strategic partnerships for doing business related to marketing services, such as media and market research, marketing analytics, marketing technology, events and activation, social and rural marketing, customer loyalty and relationship management, call centers, public relations, retail identity, health care communication, Print, Television, Outdoor, Radio, web-broadcast, and all such other media, advertising and marketing services businesses;*
 - e. *To carry on, promote, invest or support in the area of marketing and communication education and training, continuing medical education, para-medical education and other forms of school and college education and training which may include teaching newer techniques both online and offline, and by other means that technology may provide..*

11. Details of Promoters of Demerged Company & Resulting Company are as follows

Demerged Company

SL NO	NAME OF THE PROMOTERS	ADDRESS
1	Mr. Srinivasan K. Swamy	No.55/30, Prithivi Avenue, 4th Street, Abhiramapuram, Chennai- 600018
2	Mr. Narasimhan K. Swamy	12 Kshitij, 47 A. L. Jagmohandas Marg Napeansea Road, Malabar Hill S.O Mumbai -400006

Resulting Company

SL NO	NAME OF THE PROMOTERS	ADDRESS
1	Hansa Vision India Private Limited	No.19, Wheatcrofts Road, Nungambakkam, Chennai- 600034
2	Mr. Srinivasa K Swamy * (Registered owner)	Old No. 30 (New No. 55), Prithvi Avenue, 4th Street, Abiramapuram, Chennai – 600018, TN

* Registered Member holding shares on behalf of Hansa Vision India Private Limited

12. List of Directors as on the date of Demerged & Resulting Companies are as follows.

Demerged Company

Name of Directors	Address	Designation	Date of Appointment
Mr. Narasimhan K Swamy	12 Kshitij, 47 A. L. Jagmohandas Marg Napeansea Road, Malabar Hill S.O., Mumbai – 400006, MH	Director	30/09/1994
Mr. Srinivasan K Swamy	No.55/30, Prithivi Avenue, 4 th Street, Abhiramapuram, Chennai – 600018, TN	Director	30/08/1993
Mr. Pattabhi Kothandapani Raman	20570, NORTH PLUMWOOD DR KILDEER, ILLINOIS – 60047 USA	Director	03/01/2019

Resulting Company

Name of Directors	Address	Designation	Date of Appointment
Mr. Narasimhan K Swamy	12 Kshitij, 47 A. L. Jagmohandas Marg Napeansea Road, Malabar Hill S.O., Mumbai - 400006, MH	Whole Time Director	30/06/2001
Mr. Srinivasan K Swamy	No.55/30, Prithivi Avenue, 4 th Street, Abhiramapuram, Chennai - 600018, TN	Managing Director	29/04/1982
Mr. Sangeetha Narasimhan	12 Kshitij, 47 A. L. Jagmohandas Marg Napeansea Road, Malabar Hill S.O Mumbai-400006, MH	Whole Time Director	23/09/2015

13. The Board of Directors of the Demerged Company and the Resulting Company have 2 directors in common. There are no other directors in Demerged Company and Resulting Company apart from the above.
14. The Board of Directors of M/s. R K SWAMY PRIVATE LIMITED in their Board Meeting held on **08.11.2022**, and M/s. HANSA VISION INDIA PRIVATE LIMITED in their Board Meeting held on **08.11.2022**, have approved and adopted the Scheme of Arrangement.
15. The Board of Directors of the respective Companies attended the respective Board Meetings held on **08.11.2022** and approved the Scheme of Arrangement and none of the Directors opposed the same.

	Demerged Company	Resulting Company
Name of the Directors who voted in favour of the resolution	1. Mr. Srinivasan K Swamy 2. Mr. Narasimhan K Swamy 3. Mr. Pattabhi Kothandapani Raman	1.Mr. Srinivasan K Swamy 2.Mr. Narasimhan K Swamy
Names of Directors who voted against the resolution	Nil	Nil
Names of Directors who did not vote/participate/attend meeting	Nil	Mrs. Sangeetha Narasimhan

16. "**Appointed Date**" means the date from which this Scheme shall become operative viz **01st September, 2022** or if the Boards of Directors of the Demerged Company and the Resulting Company require any other date prior or subsequent to **01st September, 2022** and/or Central Government and/or the NCLT modifies the Appointed Date to other date, then such other date shall be the Appointed Date.

17. **Effective Date** means the last of the dates on which certified copy of the Confirmation Order are filed with the Registrar of Companies by the Demerged Company and/or Resulting Company.

18. **Share Exchange Ratio:** 1,000 (One Thousand Only) Fully paid-up Equity Shares of Rs. 10/- each of the Resulting Company for every 6,660 (Six Thousand Six Hundred only Fully Paid-up Equity Shares of Rs. 10/- each held in the Demerged Company (“Share Entitlement Ratio”).

19. **Summary of valuation report (if applicable) including basis of price valuation and fairness opinion of the registered valuer if any:**

Swap ratio for demerger is arrived by Mr Ganesh Natarajan, Registered Valuer vide report dated October 20, 2022.

Valuation of demerged undertaking of Demerged company has been done basis higher of book value and intrinsic value.

Valuation of Resulting Company has been done basis higher of book value and market value.

Valuation Report shall be available at Registered office of the Company for the Inspection.

20. **Details of Capital/ Debt restructuring:**

Demerged Company:

There will not be any change in Capital of Demerged Company

Resulting Company:

The existing share capital of 40,80,000 equity shares held by the Holding /Demerged Company would be cancelled and 44,45,713 equity shares would be issued to the shareholders of the Holding/Demerged Company in proportion to their holding in the Demerged company.

The Share capital of the Resulting Company is as follows

Pre-demerger :

No of shares	Rs.
4080,000	4,08,00,000/-

Post Demerger:

No of shares	Rs.
44,45,713	4,44,57,310/-

21. **Amount due to Unsecured Creditors:**

Demerged Company : Rs. 2,010.95 Lakhs

Resulting Company : Rs. 14,370.81 Lakhs

22. **Effect of Scheme on :**

Key Managerial Personnel : None

Directors, Promoters & Non Promoter Members:

Proposed demerger will not only be beneficial to our Company but also to the Demerged Company and their respective shareholders/ members, creditors and all other stakeholders and will enable Demerged Company and our Company to achieve and fulfil our objectives more efficiently and economically

Depositors: None

Creditors: All subsisting Creditors of the Demerged Undertaking will be transferred to the Resulting Company as per the Scheme.

Debenture Holders: None

Deposit trustee and Debenture trustee: None

Employee of the Company:

Employees of the Demerged Undertaking will be transferred to the Resulting Company as per the Scheme.

23. **THE SALIENT FEATURES OF THE SCHEME ARE AS FOLLOWS:**

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- a) Upon the Scheme coming into effect and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 233 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, the Demerged Undertaking shall, without any further act, instrument or deed, stand demerged from the Demerged Company and transferred to and vested in or be deemed to have been demerged from the Demerged Company and transferred to and vested in the Resulting Company on a goingconcern basis, so as to become as and from the Appointed Date, the assets, contracts, rights claims, interest, liabilities, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

- b) Without prejudice to the generality of the provisions of Clause 23 (a) above, the manner of transfer and vesting of assets and liabilities forming part of the Demerged Undertaking under this Scheme, is as follows:
- c) In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. 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;
- d) With respect to the assets forming part of the Demerged Undertaking other than those referred to in Clause 23 (c) above, including all rights, title and interests in the agreements, sundry debtors, claims from customers or otherwise, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company.
- e) All the liabilities arising from the Demerged Undertaking shall pursuant to the applicable provisions of the Act and the provisions of Part II of this Scheme and without any further act or deed become the debts, liabilities, duties and obligations of the Resulting Company and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- f) The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;

- g) Unless otherwise agreed to between the Boards of the Parties, the vesting of all the assets of the Demerged Company forming part of the Demerged Undertaking, as aforesaid, shall be free of Encumbrances except to the extent of charges created in favour of secured creditors and tagged to the assets of the Demerged Undertaking.
- h) Any taxes, levies or dues if any, paid or payable by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date shall be deemed to have been paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as applicable;
- i) Upon the Scheme becoming effective, the concerned Parties shall have the right to revise their respective financial statements, income tax returns, TDS returns and other statutory returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid/ withheld, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes etc., and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company;
- j) Subject to the other provisions of the Scheme, any past refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Company shall accrue to the Demerged Company.
- k) On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company;
- l) License, registrations including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall subject to Applicable Law be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in

favour of Resulting Company as if the same were originally given by, issued to or executed in favour of Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever; and

- m) The Demerged Company may be selectively requested by the Resulting Company to continue to perform the services in relation to ongoing agreements, arrangements and contracts in relation to the Demerged Undertaking in the name of the Demerged Company. The net contribution post servicing these agreements, arrangements and contracts to be mutually agreed between the respective Boards through their duly appointed representatives. The net contribution should be transferred by the Demerged Company to the Resulting Company. The absence of any formal amendment or novation which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Parties shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.
- n) The Demerged undertaking is currently using the trademark and copyright "HANSA" which is owned and registered by the Demerged Company and the Demerged Company would continue to own and hold it in its name. However, the Demerged Company provides its consent to the Resulting Company for use of its brand name / trademark / copyright / Logo on such terms and conditions as may be prescribed by the Board of the Demerged Company from time to time.
- o) The above provisions shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents all of which instruments, deeds or writings shall stand modified and /or superseded.
- p) In the event any asset, contract, liability or property or the benefit thereof, which is a part of Demerged Undertaking of the Demerged Company does not get transferred to the Resulting Company, the Demerged Company and the Resulting Company shall undertake all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, liability and property or the benefit thereof to the Resulting Company forthwith without any further consideration. The Demerged Company and the Resulting Company agree that pending transfer of assets, contracts, property and

benefit to the Resulting Company, the Demerged Company shall hold such assets, contracts, property and benefit of Demerged Undertaking of the Demerged Company in trust for the Resulting Company, and shall put in place necessary arrangements to allow the Resulting Company to enjoy the benefit of the same.

- q) Without prejudice to the provisions of the foregoing sub-clauses of this Clause, the concerned Parties may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including executing and filing necessary confirmatory deeds, filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. In case of any ambiguity or lack of clarity on the Demerged Undertaking which has not been specifically provided in the Scheme on any aspect of the Scheme, the Board of Directors of the Demerged Company and the Resulting Company would mutually agree within the framework of the Companies Act, 2013 and other laws applicable to the respective entities.

TRANSFER OF LIABILITIES –

All the liabilities arising from the Demerged Undertaking shall pursuant to the applicable provisions of the Act and the provisions of Part II of this Scheme and without any further act or deed become the debts, liabilities, duties and obligations of the Resulting Company and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause

CONDUCT OF BUSINESS OF THE DEMERGED UNDERTAKING IN TRUST FOR THE RESULTING COMPANY:

- a) With effect from the Appointed Date and till the Effective Date, the Demerged Company shall be deemed to have been carrying on and shall carry on the business of the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for Resulting Company. The Demerged Company undertakes to hold its said assets with utmost prudence until the Effective Date.
- b) Until the Scheme is effective, the Demerged Company shall carry on the business and activities of the Demerged Undertaking with reasonable diligence, business prudence and shall not except in the ordinary course of

business or without prior written consent of Resulting Company alienate, charge, mortgage, encumber or otherwise deals with or dispose of any business or part thereof.

- c) With effect from the Appointed Date upon the Scheme becoming effective, all the profits or income accruing or arising to Demerged Company or expenditure or losses arising or incurred or suffered by Demerged Company, in relation to the business of the Demerged Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Resulting Company. The respective Boards may authorise one or more representatives who should mutually agree on the computation as aforesaid.
- d) Demerged Company shall not vary the terms and conditions of employment of any of the employees in relation to the Demerged Undertaking except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by them, as the case may be.
- e) It is clarified that all the taxes and duties payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards and up to the Effective Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company is expressly permitted to revise and the Resulting Company is expressly permitted to file their respective income tax returns including advance tax payments, tax deducted at source certificates, sales tax/ value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- f) All assets (including fixed assets, current assets, cash and bank balances etc.) acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking or pertaining to the Demerged Undertaking shall be deemed to have been acquired for and on behalf of the Resulting Company.
- g) All loans raised and/ or used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting

Company and to the extent they are outstanding on the Effective Date, shall without any further act or deed be and stand transferred to the Resulting Company and shall become its liabilities and obligations on the Scheme becoming effective.

- h) All loans, liabilities and obligations of the Demerged Company relating to the Demerged Undertaking as on the Appointed Date, deemed to be transferred to the Resulting Company, which have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, shall be deemed to have been discharged for and on account of the Resulting Company

EMPLOYEES:

- a) On the Scheme becoming effective, all staff, workmen and employees of Demerged Company pertaining to the Demerged Undertaking, who are in service as on the Effective Date shall become staff, workmen and employees of Resulting Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Resulting Company shall not be less favourable than those applicable to them with reference to their employment with Demerged Company on the Effective Date. Resulting Company agrees that the services of all such employees with Demerged Company up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Demerged Undertaking of Demerged Company shall be mutually decided by board of directors of both companies through their authorised representatives.
- b) In respect of those employees of the Demerged Company who are employed in or in relation to the Demerged Undertaking, the Resulting Company shall stand substituted for the Demerged Company for the purpose of making contributions towards Provident Fund, Gratuity and other Superannuation benefits, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company with respect to such employees and in relation to such benefits shall become those of the Resulting Company..

LEGAL PROCEEDINGS:

- (a) All legal, or other proceedings by or against the Demerged Company and relating to the Demerged Undertaking, including proceedings under various tax laws, pending as on the Effective Date, shall be continued and enforced by or against the Resulting Company
- (b) If any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause (a) above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the later it shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

- (c) It is clarified that any amounts received by the Demerged Company after the Effective Date on account of any proceedings relating to the Demerged Undertaking, including proceedings under various tax laws, pending as on the Effective Date, shall be deemed to have been received in trust and on behalf of the Resulting Company and the same shall forthwith be remitted by the Demerged Company to the Resulting Company.
- (d) If any suit, appeal or other proceeding of whatever nature by or against Demerged Company, in relation to the Demerged Undertaking, is pending on the Effective Date the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or be anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Demerged Company as if this Scheme had not been made.

CONTRACTS, DEEDS, ETC:

- a) Subject to the other provisions of this Scheme, all contracts, deeds, Bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any of whatsoever nature pertaining to the Demerged Undertaking of the Demerged Company which is subsisting as on the Effective Date shall be in full force and effect against or in favour of Resulting Company and may be enforced by or against Resulting Company as fully and effectually as if instead of Demerged Company, the Resulting Company had been a party thereto.

ACCOUNTING TREATMENT:

Accounting treatment in the books of the Demerged Company:

Upon the Scheme coming into force, with effect from the Appointed Date the Demerged Company shall account for the Scheme in its books of account in compliance to the applicable Accounting Standards and generally accepted accounting principles in India, as amended from time to time including as provided herein below.

- i. Upon the scheme becoming effective the Demerged Company shall reduce the book value of all assets and liabilities pertaining to the Demerged undertaking as appearing in the books of account of the Demerged Company as on the close of the business on the day immediately prior to the Appointed Date.

- ii. The difference if any, between the carrying values of the assets and the carrying values of the liabilities pertaining to the Demerged undertaking shall be transferred to the Capital Reserve of the Demerged Company.
- iii. The inter-company balances, if any, appearing in the books of account of the Demerged Company and Resulting Company, which are part of the Demerged Undertaking being transferred, will stand cancelled and corresponding suitable effect shall be given in the books of accounts and records of the Demerged Company.
- iv. The Investment in the equity shares of the Resulting Company, as appearing in the books of accounts of the Demerged Company, shall stand cancelled and transferred to Capital Reserve of the Demerged Company and there shall be no further rights in that behalf.
- v. Notwithstanding the above, the board of directors of the Demerged Company or a Committee thereof, in consultation with its statutory auditors, is authorized to account for any of these balances whatsoever, as may be deemed fit, in accordance with the Accounting Standards.

Accounting treatment in the books of the Resulting Company:

- I. Upon the scheme becoming effective, the Resulting Company shall record the assets and liabilities pertaining to the Demerged undertaking, transferred to and vested in it pursuant to this Scheme, at the same values and same form as recorded in the books of Demerged undertaking as on the close of the business on the day immediately prior to the Appointed Date in compliance with the Indian Accounting Standard 103 on Business Combinations and Other Indian Accounting Standards (IndAS), as applicable, and notified under Section 133 of the Companies Act 2013, read with Companies (India Accounting Standards) Rules, 2015 as amended.
- II. The Resulting Company shall credit its share capital account with the aggregate nominal value of the equity shares issued to the shareholders of the Demerged Company pursuant to this scheme, and reduce and cancel its Share Capital Account in terms of Clause 1.
- III. The difference, if any, between the amount of carrying values of the assets over the liabilities of the Demerged Company pertaining to the Demerged Undertaking, and the amount credited to share capital, shall be transferred to the Capital Reserve.

- IV. If and to the extent there are inter-corporate loans, deposits or balances as between Demerged Undertaking and Resulting Company, the same shall be squared off and the obligations in respect thereof on and from the Appointed date shall stand cancelled and there shall be no obligation / outstanding in that behalf.
- V. In case of any difference, in any of the accounting policies between the Demerged Company and the Resulting Company, the impact of the same in the scheme will be quantified and accounted in accordance with Indian Accounting Standard (AS) 8, *Accounting Policies, Changes in Accounting Estimates and Errors* to ensure that the financial statements of the Resulting Company reflects the financial position on the basis of consistent accounting policies..

ISSUE OF EQUITY SHARES BY THE RESULTING COMPANY

CONSIDERATION:

- a) Upon this Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in terms of this Scheme, the Resulting Company shall without any further application or deed, issue and allot Equity Shares, credited as fully paid up to the members of the Demerged Company holding fully paid up Equity Shares in the Demerged Company and whose name appear in the Register of Members of the Demerged Company on the Effective Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Resulting Company in the following manner/ratio:

1,000 (One Thousand Only) Fully paid-up Equity Shares of Rs. 10/- each of the Resulting Company for every 6,660 (Six Thousand Six Hundred only Fully Paid-up Equity Shares of Rs. 10/- each held in the Demerged Company ("Share Entitlement Ratio").

NEW EQUITY SHARES:

- (i) The shares issued by the Transferee pursuant to this clause 4.1 (clause 4.1 of the Scheme) are hereinafter referred to as “New Equity shares”
- (ii) In respect of fractional entitlement to a shareholder, the same shall be rounded off to the nearest integer.
- (iii) All the new equity shares to be issued and allotted by the Resulting Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.
- (iv) The issue and allotment of New Equity Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Central Government / Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable were duly complied with. It is clarified that the approval of the members 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 New Equity Shares by the Resulting Company.
- (v) The Resulting Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of Equity Shares under this Scheme, by following the requisite procedure under applicable provisions of the law and the resolution approving the Scheme shall be deemed to be the approval of increase in the authorized share capital of the Resulting Company and on payment of applicable requisite fees and duties.

CANCELLATION OF EXISTING EQUITY SHARES:

Upon the Scheme coming into effect, all equity shares of the Resulting Company held by Demerged Company (either directly or through nominees) shall stand cancelled without any application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Demerged Company in lieu of shares of the Resulting Company. Considering the issue of new shares by the Resulting Company to the

shareholders of the Demerged Company, in terms of Clause 4.1 of this Scheme, there will not be any reduction of Share Capital of the Resulting Company.

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE ENTIRE SCHEME**SCHEME CONDITIONAL ON APPROVAL/SANCTION:**

- (a) The Scheme is and shall be conditional upon and subject to the following:
- (b) The Scheme after receiving suggestions or modifications from the Registrar of Companies or any other person affected by the Scheme under section 233(1)(a) of the Companies Act, 2013 and being approved by respective requisite majorities of the members or class of members of the Demerged Company and Resulting Company as required under Section 233(1)(b) of the Companies Act, 2013;
- (c) The Scheme being approved by majority representing nine-tenth in value of the creditors of the Demerged Company and Resulting Company indicated in a meeting convened by the Demerged Company and Resulting Company by giving notice of twenty-one days along with the Scheme to its creditors for the purpose or otherwise approved in writing as per section 233(1)(d) of the Companies Act, 2013;
- (d) Sanctions and Orders under the provisions of Section 233 and other applicable provisions of the Act, if any, being obtained by the Demerged Company and the Resulting Company from the Central Government or the NCLT, as the case may be; and
- (e) Confirmation Order being filed with the Registrar of Companies either by way of filing required eforms with Ministry of Corporate Affairs Portal or otherwise as per Rule 25(7) of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016..

The proposed arrangement between **M/s. HANSA VISION INDIA PRIVATE LIMITED (CIN: U74900TN1988PTC015819) (Demerged Company)** and **M/s. R K SWAMY PRIVATE LIMITED (CIN: U74300TN1973PTC006304) (Resulting Company) Wholly Owned Subsidiary of M/s. HANSA VISION INDIA PRIVATE LIMITED** with a view to optimize utilization of resources of both businesses and to segregate the risk of business suitably. It is expected that consolidation of the Marketing Communication and allied Businesses under the Company would drive synergies, leverage economies of scale and create stakeholder value.

DECLARATION OF SOLVENCY

The Declaration of Solvency made by Demerged Company and filed with Regulatory Authorities in pursuance of Clause (c) of sub-Section (1) of Section 233 of the Act in Form No. CAA.10 is as below:

Statement of Assets and Liabilities as at 31.08.2022
Demerged Company – M/s. HANSA VISION INDIA PRIVATE LIMITED

PARTICULARS	Amount (in Rs.)	
	BOOK VALUE	ESTIMATED REALISABLE VALUE
BALANCE AT BANK	19,93,638	19,93,638
CASH IN HAND	5,056	5,056
MARKETABLE SECURITIES	14,73,430	14,73,430
BILLS RECEIVABLES	-	-
TRADE DEBTORS	2,76,07,051	2,76,07,051
LOANS & ADVANCES	12,73,30,537	12,73,30,537
UNPAID CALLS	-	-
STOCK-IN-TRADE	-	-
WORK IN PROGRESS	-	-
FREEHOLD PROPERTY	40,38,63,514	48,61,64,000
LEASEHOLD PROPERTY	-	-
PLANT & MACHINERY	-	-
FURNITURE, FITTINGS, UTENSILS, ETC...	11,62,187	11,62,187
PATENTS, TRADEMARKS, ETC...	-	-
INVESTMENTS OTHER THAN MARKETABLE SECURITIES	77,52,35,723	99,46,24,818
OTHER PROPERTY	24,05,54,432	12,71,87,201
TOTAL	1,57,92,25,567	1,76,75,47,917
	LIABILITIES ESTIMATED TO RANK FOR PAYMENT (TO THE NEAREST RUPEE)	

Secured on specific assets	-	12,19,51,548
Secured by floating charge(s)	-	5,77,69,173
Estimated cost of liquidation and other expense including interest accruing until payment of debts in full.	-	-
Unsecured creditors (amounts estimated to rank for payment)	-	-
(a) Trade accounts	-	2,32,95,376
(b) Bills payable	-	-
(c) Accrued expense	-	1,70,32,857
(d) Other liabilities	-	16,07,66,499
(e) Contingent liabilities	-	-
TOTAL	-	38,08,15,453
Total estimated value of assets		Rs.1,76,75,47,917
Total liabilities		Rs.38,08,15,453
Estimated surplus after paying debts in full		Rs.1,38,67,32,464

Statement of Assets and Liabilities as at 31.08.2022

Resulting Company – **R K SWAMY PRIVATE LIMITED**

PARTICULARS	(Amount (in Lakhs))	
	BOOK VALUE	ESTIMATED REALISABLE VALUE
BALANCE AT BANK	344.14	344.14
CASH IN HAND	12.21	12.21
MARKETABLE SECURITIES	32.21	32.21
BILLS RECEIVABLES	-	-
TRADE DEBTORS	6,656.86	6,656.86
LOANS & ADVANCES	75.00	75.00

UNPAID CALLS	-	-
STOCK-IN-TRADE	-	-
WORK IN PROGRESS	-	-
FREEHOLD PROPERTY	-	-
LEASEHOLD PROPERTY	932.39	932.39
PLANT & MACHINERY	-	-
FURNITURE, FITTINGS, UTENSILS, ETC...	95.45	95.45
PATENTS, TRADEMARKS, ETC...	-	-
INVESTMENTS OTHER THAN MARKETABLE SECURITIES	9,576.99	9,576.99
OTHER PROPERTY	3,276.39	3,061.37
TOTAL	21,001.64	20,786.62
PARTICULARS	LIABILITIES ESTIMATED TO RANK FOR PAYMENT (Amount in Lakhs)	
		BOOK VALUE
Secured on specific assets	-	-
Secured by floating charge(s)	-	2,798.92
Estimated cost of liquidation and other expense including interest accruing until payment of debts in full.	-	-
Unsecured creditors (amounts estimated to rank for payment)	-	-
(a)Trade accounts	-	8,717.31
(b)Bills payable	-	-
(c)Accrued expense	-	-
(d)Other liabilities	-	5,449.25
(e)Contingent liabilities	-	204.25
TOTAL	-	17,169.73
Total estimated value of assets		20,786.62

Total liabilities		17,169.73
Estimated surplus after paying debts in full		3,616.89
Remarks		

24. The Scheme of Arrangement shall not affect the material interests of Directors as the Companies have the Common management.
25. None of the Directors, promoters-and employee of Demerged Company and Resulting Company shall be affected as a result of proposed Scheme of Arrangement.
26. The Company does not have any non promoter depositors, debenture holders, deposit trustee and debenture trustee. The company has non promoter members and their interest shall not be affected as a result of proposed Scheme of Arrangement as the said shareholders are going to be allotted shares in the resulting company.
27. The directors of the Demerged Company and Resulting Companies are of the opinion that there is no likelihood that interest of any Shareholder, Directors, Promoters, Employee or Creditor of the Demerged Company and Resulting Companies would be prejudiced as a result of the Scheme. The Arrangement will not impose any additional burden on the members of the Resulting Company.
28. There are no Contracts or Agreements between the stakeholders which are material to the proposed Scheme of Arrangement.
29. Other regulatory approvals or sanctions are not applicable in relation to proposed Scheme of Arrangement.
30. The Resulting Company submits that there are no proceedings pending under Sections 206 to 229 of the Companies Act, 2013 against the Demerged Company / Resulting Company.

The following documents will be open for obtaining extract or for making or obtaining copies of or for inspection at the Registered Office of the Resulting Company between 10.00 a.m. and 12 Noon on any working day of the Applicant/ Resulting Company except Saturday and Sunday:

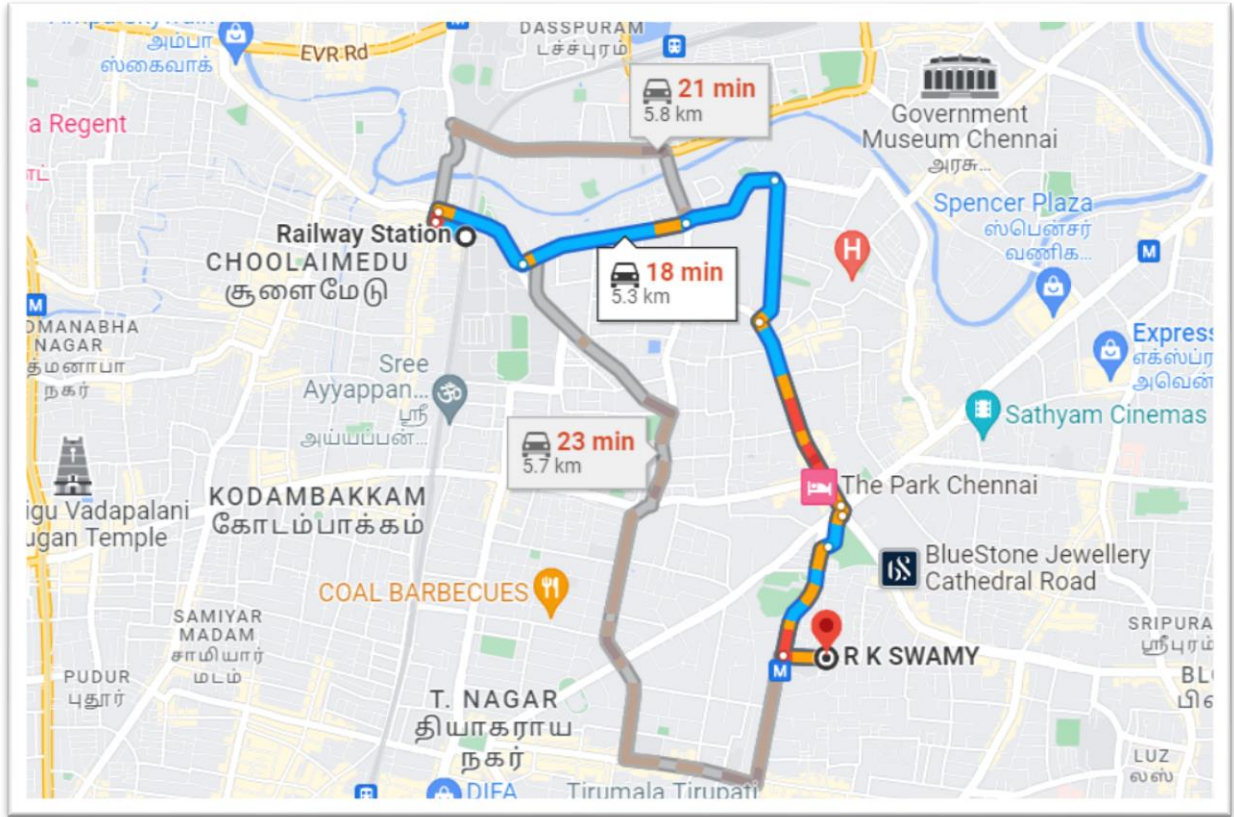
1. The Balance Sheet and Profit and Loss Account **HANSA VISION INDIA PRIVATE LIMITED** and **R K SWAMY PRIVATE LIMITED** for the year ended 31st March 2022;
2. Copy of the Board Resolutions dated 08.11.2022 passed by the Demerged and Resulting Companies approving the Scheme of Arrangement.
3. Scheme of Arrangement between **HANSA VISION INDIA PRIVATE LIMITED** and **R K SWAMY PRIVATE LIMITED**

4. Register of Directors' Shareholdings of the Demerged and Resulting Companies.
5. The Certificate issued by Auditor for the Demerged & Resulting Company to the effect that the Accounting Treatment, if any, proposed in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
6. Declaration of Solvency and Statement of Assets and Liabilities as on 31.08.2022 of both Companies.
7. Chartered Accountant Certificate on Secured Creditors for Demerged and Resulting Company.
8. Chartered Accountant Certificate on Unsecured Creditors for Demerged and Resulting Company.
9. Valuation Report dated 20.10.2022 issued by Mr. Ganesh Natarajan, Registered Valuer.

For R K SWAMY PRIVATE LIMITED

Sd/-
Desikan Rajagopalan
Company Secretary
M.No.A28348
No.19, Wheatcrofts Road,
Nungambakkam,
Chennai-600034, TN

ROAD MAP





SCHEME OF ARRANGEMENT

AMONGST

HANSA VISION INDIA PRIVATE LIMITED DEMERGED COMPANY

AND

R K SWAMY PRIVATE LIMITED RESULTING COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**UNDER SECTIONS 233 READ WITH SECTION 230 TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013 AND THE COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

A. PREAMBLE:

This Scheme of Arrangement (hereinafter referred to as the "Scheme") is presented under Section 233 read with Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for demerger of the Marketing Communication and Allied Businesses/Demerger Undertaking (defined hereinafter) of Hansa Vision India Private Limited (hereinafter known as "**Demerged Company**") and transfer and vesting of the same to R K Swamy Private Limited (hereinafter known as "**Resulting Company**") as a going concern by issuance of equity shares by R K Swamy Private Limited to the Equity Shareholders of Hansa Vision India Private Limited and cancellation of equity shares held by Hansa Vision India Private Limited in the Resulting Company. The Scheme also provides for matters consequential, supplemental, incidental and / or otherwise integrally connected therewith, pursuant to Section 230 to 232 of the Companies Act, 2013 ("**the Act**") and other applicable provisions of the Act

B. BACKGROUND OF THE COMPANY:

- i. **Hansa Vision India Private Limited**, the Demerged Company, is a private limited Company incorporated on 6th June, 1988 under the provisions of the Companies Act, 1956, under the Corporate Identity number: U74900TN1988PTC015819, having its registered office at No. 19, Wheatcrofts Road, Nungambakkam, Chennai- 600 034.

Demerged Company is a 100% holding Company of the Resulting Company. It is primary engaged in business of Marketing Communication and allied Business amongst others.

- ii. **R K Swamy Private Limited**, the Resulting Company is a private limited Company incorporated on 16th February, 1973 under the provisions of the Companies Act, 1956, under the Corporate Identity number: U74300TN1973PTC006304, formerly known as R K Swamy BBDO Private Limited and having its registered office at No. 19, Wheatcrofts Road, Nungambakkam, Chennai- 600 034.

Resulting Company is a Wholly Owned Subsidiary of Demerged Company. It is primary engaged in business of Marketing Communication and allied activities.

C. RATIONAL FOR THE SCHEME OF ARRANGEMENT:

- (i) The business of the Demerged Company is broadly divided into two businesses viz. Marketing Communication and Allied Businesses and Other Businesses. The Marketing Communication and Allied Businesses includes and involves all kinds of Advertising, Creative Content, Data Analytics, Media Planning and Buying, Organising and Managing Events, Branding and Allied activities, Marketing Consultancy, Market Research and Continuing Medical Education across industries and segments. While the other Business includes business other than the Marketing Communication and Allied Businesses.

- (ii) The Marketing Communications and Allied Businesses are subjected to different rules, regulations and discipline than the other Businesses. Risk, resources and reward of both businesses are different and distinguishable.
- (iii) In order to optimize utilization of resources of both businesses and to segregate the risk of businesses suitably. The Demerged Company and the Resulting company seek to reorganize their respective business, by transfer of the Demerged Undertaking (as defined below) from the Demerged Company and vest the same with the Resulting Company so as to consolidate the Marketing Communication and Allied Businesses under a single entity (i.e., the Resulting Company) in a manner set out in the scheme below so as to drive synergies, leverage economies of scale and create stakeholder value.
- (iv) The Resulting Company is a wholly owned subsidiary of the Demerged Company. The Demerged Company and the Resulting Company seek to reorganize the Equity Shareholding of the Resulting Company such that the equity shares of the Resulting Company are only held by the shareholders of the Demerged Company.
- (v) The Scheme proposes a transfer of the Demerged Undertaking (as defined below) from the Demerged Company to the Resulting Company in lieu of issue of shares issued by the Resulting Company to the Shareholders of Demerged Company in proportion of their shareholding as consideration.
- (vi) The Scheme is expected to be beneficial to the Demerged Company and the Resulting Company and their respective shareholders/ members, creditors and all other stakeholders and will enable Demerged Company and the Resulting Company to achieve and fulfill their objectives more efficiently and economically.
- (vii) The Resulting Company being a wholly owned subsidiary of Demerged Company, the Demerged Company and Resulting Company have opted to enter into Scheme of Arrangement under the Section 233 of the Companies Act, 2013 and the transfer would take effect from the Appointed date and shall be in compliance with the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section/act at a later date including resulting from amendments if any of any law or for any other reason whatsoever, the provision of the said section/act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said section/Act. Such modification will however not affect the other parts of the Scheme.

D. PARTS OF THE SCHEME:

This Scheme or Arrangement is divided into the following parts:

PART I: - This part of the scheme deals with the definitions and Capital structure of the Demerged Company and the Resulting Company;

PART II: - This part of the scheme deals with the Demerger and/or Transfer and Vesting of the Demerged Undertaking;

PART III: - This part of the scheme deals with general terms and conditions applicable to this Scheme.

PART I: Definitions and Capital structure of the Demerged Company and the Resulting Company:

This part of the Scheme deals with the introduction and definitions and Capital structure of the Demerged Company and the Resulting Company.

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context thereof, (i) Capitalized terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) subject to (iii) below, all terms and words not defined in this Scheme shall have the same meaning ascribed to them under Applicable Law; and (iii) the following expressions shall have the following meanings:

- 1.1. **"Act"** means the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof), rules and regulations made thereunder, for the time being in force.
- 1.2. **"Accounting Standards"** means the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015, prescribed by the Central Government under Section 133 of the Act, as amended from time to time.
- 1.3. **"Applicable Law"** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force.
- 1.4. **"Appointed date"** means September 01, 2022 or such other date as may be mutually approved by the Board of the Parties and as approved by the Central Government or Tribunal.
- 1.5. **"Appropriate Authority (ies)"** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority or judicial body or authority, including but not limited to the Registrar of Companies, Regional Director and National Company Law Tribunal.
- 1.6. **"Board of Directors"** or **"Board"** in relation to the Demerged Company and the Resulting Company shall be the Board of Directors under Section 149 of the Act.
- 1.7. **"Central Government"** shall for the purpose of this Scheme, mean the Regional Director, Ministry of Company Affairs, Southern Region, having its office at 5th floor Shastri Bhavan, No. 26 Haddows Road, Chennai- 600006, in the state of Tamil Nadu.

- 1.8. **“Confirmation Order”** means order sanctioning the Scheme issued by the Central Government or National Company Law Tribunal, as the case may be, under section 233 of the Act.
- 1.9. **“Demerged Company”** means Hansa Vision India Private Limited, a Private Limited Company incorporated under the provisions of the Companies Act, 1956, under the Corporate Identity Number: U74900TN1988PTC015819 and having its registered office at No. 19, Wheatcrofts Road, Nungambakkam, Chennai- 600 034.
- 1.10. **“Demerged Undertaking”** means the Market Communication and Allied Businesses of the Demerged Company as a going concern, along with all its assets, rights, privileges and all debts, outstanding liabilities and obligations as on the Appointed Date, and shall include (without limitation) the following relating to Marketing Communication and Allied Businesses:
- a) all movable assets, tangible or intangible, that includes all computers, related accessories, software’s and applications, furniture & fixtures and shares of the Resulting Company. Demerged Undertaking however excludes any immovable property, Trademarks and Copyrights held by the Demerged Company, unless specifically agreed to in writing by the Board of the Demerged Company.
 - b) all operating agreements arrangements, rights and licences and related deposits, advances and receivables belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company, except those which are specifically carved out or excluded by the Board of the Demerged Company;
 - c) all loans, borrowings or advance, given or taken including accrued interest thereon in the books of the Demerged Company and tagged with the Demerged Undertaking by the Board of the Demerged Company. This would exclude loans, borrowings or advances tagged to the remaining business of the Demerged Company by the Board of the Demerged Company.
 - d) all employees of the Demerged Company tagged to the Demerged Undertaking by the Board of the Demerged Company along with all accrued dues and retiral benefits;
 - e) all operating assets, current debtors, operating liabilities and trade creditors tagged to the Demerged Undertaking by the Board of the Demerged Company. This excludes all contingent liabilities;
 - f) all data, files and records whether in physical or electronic form relating to the Demerged Undertaking of the Demerged Company;
 - g) All operating contracts, agreements and arrangements with suppliers, customers, vendors, creditors employees and other service providers, associated or related with the Demerged Undertaking except those which are specifically carved out or excluded by the Board of the Demerged Company;

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

- 1.11. "Effective Date"** means the last of the dates on which certified copy of the Confirmation Order are filed with the Registrar of Companies by the Demerged Company and/or the Resulting Company.
- 1.12. **"Income Tax Act"** means the Income-tax Act, 1961.
- 1.13. **"Marketing Communication and Allied Businesses"** includes and involves all kinds of Advertising, Creative Content, Data Analytics, Media Planning and Buying, Organising and Managing Events, Branding and Allied activities, Marketing Consultancy, Market Research and Continuing Medical Education across industries and segments.
- 1.14. **"Parties"** means the Demerged Company and the Resulting Company.
- 1.15. **"Record Date"** means the date to be fixed by the Boards of the Demerged Company in consultation with the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issue of the equity shares, pursuant to Part II of this Scheme.
- 1.16. **"Remaining Business of the Demerged Company"** means all assets, liabilities and investments of the Demerged Company other than what constitutes the Demerged Undertaking as per this Scheme. The Remaining Business of the Demerged Company would specifically include all immovable properties, Trademarks, Trade Names, Brands, Patents, Copyrights, Logo, Designs and all other Intellectual Properties whether registered or not, held, applied or used by the Demerged Company. This would *inter alia* include all assets and liabilities not tagged to the Demerged Undertaking by the Board of the Demerged Company, any Income Tax assets, losses or Liabilities and Investment in Hansa Marketing Services Pte Limited, Singapore. This would further include specific operational performance of operating agreements and arrangements identified by the Resulting Company to be undertaken by the Demerged Company on behalf of the Resulting Company in any form and manner as mutually agreed between the Board of the Demerged Company and Resulting Company.
- 1.17. "Resulting Company"** means R K Swamy Private Limited a private limited Company incorporated under the provisions of the Companies Act, 1956, under the Corporate Identity Number U74300TN1973PTC006304, formerly known as R. K. Swamy BBDO Private Limited and having its registered office at No. 19, Wheatcrofts Road, Nungambakkam, Chennai- 600 034.
- 1.18. **"Registrar of Companies" or "ROC"** means the Registrar of Companies, Chennai, Tamil Nadu.

- 1.19. **“Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Central Government or with any modification(s) approved or imposed or directed by the Central Government or the Tribunal as may be modified.
- 1.20. **“Tax Laws”** means all Applicable Law dealing with all direct and Indirect taxes including but not limited to Income-tax, Goods and Service tax, Customs duty or any other statutory taxes and levies.
- 1.21. **“Tribunal”** or **“National Company Law Tribunal”** or **“NCLT”** means the jurisdictional bench of the National Company Law Tribunal having jurisdiction over the Parties i.e., National Company Law Tribunal, Chennai.

In this Scheme, unless the context otherwise requires:

- All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable laws, rules, regulation, by-laws, as the case may be, including any statutory modification or re-enactment thereof from time to time;
- words denoting the singular shall include the plural and vice versa;
- Reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision;
- Any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
- headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and
- The words “include” and “including” are to be construed without limitation.

2. SHARE CAPITAL:

- 2.1. The Capital Structure of the Demerged Company as on the appointed date is as under:

Share Capital	In Rupees
<u>Authorised Share Capital</u>	
3,00,00,000 Equity Shares of Rs. 10/- each	30,00,00,000

Total	30,00,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
2,96,08,451 Equity Shares of Rs. 10/- each	29,60,84,510
Total	29,60,84,510

- 2.2. The Capital Structure of the Resulting Company as on the appointed date is as under:

Share Capital	In Rupees
<u>Authorised Share Capital</u>	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
Total	10,00,00,000
<u>Issued, Subscribed and Paid-Up Share Capital</u>	
40,80,000 Equity Shares of Rs. 10/- each	4,08,00,000
Total	4,08,00,000

PART II: The Demerger and/or Transfer and Vesting of the Demerged Undertaking:

3. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 3.1. Upon the Scheme coming into effect and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 233 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, the Demerged Undertaking shall, without any further act, instrument or deed, stand demerged from the Demerged Company and transferred to and vested in or be deemed to have been demerged from the Demerged Company and transferred to and vested in the Resulting Company on a goingconcern basis, so as to become as and from the Appointed Date, the assets, contracts, rights claims, interest, liabilities, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.
- 3.2. Without prejudice to the generality of the provisions of Clause 3.1 above, the manner of transfer and vesting of assets and liabilities forming part of the Demerged Undertaking under this Scheme, is as follows:

- 3.2.1. In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon the Scheme coming into effect and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. 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;
- 3.2.2. With respect to the assets forming part of the Demerged Undertaking other than those referred to in Clause 3.2.1 above, including all rights, title and interests in the agreements, sundry debtors, claims from customers or otherwise, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of Resulting Company.
- 3.2.3. All the liabilities arising from the Demerged Undertaking shall pursuant to the applicable provisions of the Act and the provisions of Part II of this Scheme and without any further act or deed become the debts, liabilities, duties and obligations of the Resulting Company and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 3.2.4. The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes;
- 3.2.5. Unless otherwise agreed to between the Boards of the Parties, the vesting of all the assets of the Demerged Company forming part of the Demerged Undertaking, as aforesaid, shall be free of Encumbrances except to the extent of charges created in favour of secured creditors and tagged to the assets of the Demerged Undertaking.
- 3.2.6. Any taxes, levies or dues if any, paid or payable by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date shall be deemed to have been paid or payable by the Resulting Company and the

Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as applicable;

- 3.2.7. Upon the Scheme becoming effective, the concerned Parties shall have the right to revise their respective financial statements, income tax returns, TDS returns and other statutory returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds, advance tax credits, MAT credit, credit of tax deducted at source, credit of foreign taxes paid/ withheld, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST), and other indirect taxes etc., and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company;
- 3.2.8. Subject to the other provisions of the Scheme, any past refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Company shall accrue to the Demerged Company.
- 3.2.9. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company;
- 3.2.10. License, registrations including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall subject to Applicable Law be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of Resulting Company as if the same were originally given by, issued to or executed in favour of Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever; and
- 3.2.11. The Demerged Company may be selectively requested by the Resulting Company to continue to perform the services in relation to ongoing agreements, arrangements and contracts in relation to the Demerged Undertaking in the name of the Demerged Company. The net contribution post servicing these agreements, arrangements and contracts to be mutually agreed between the respective Boards through their duly appointed representatives. The net contribution should be transferred by the Demerged Company to the Resulting Company. The absence of any formal amendment or novation which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing

sentence. The Parties shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

- 3.2.12. The Demerged undertaking is currently using the trademark and copyright “HANSA” which is owned and registered by the Demerged Company and the Demerged Company would continue to own and hold it in its name. However, the Demerged Company provides its consent to the Resulting Company for use of its brand name / trademark / copyright / Logo on such terms and conditions as may be prescribed by the Board of the Demerged Company from time to time.
- 3.2.13. The above provisions shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents all of which instruments, deeds or writings shall stand modified and /or superseded.
- 3.2.14. In the event any asset, contract, liability or property or the benefit thereof, which is a part of Demerged Undertaking of the Demerged Company does not get transferred to the Resulting Company, the Demerged Company and the Resulting Company shall undertake all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, liability and property or the benefit thereof to the Resulting Company forthwith without any further consideration. The Demerged Company and the Resulting Company agree that pending transfer of assets, contracts, property and benefit to the Resulting Company, the Demerged Company shall hold such assets, contracts, property and benefit of Demerged Undertaking of the Demerged Company in trust for the Resulting Company, and shall put in place necessary arrangements to allow the Resulting Company to enjoy the benefit of the same.
- 3.2.15. Without prejudice to the provisions of the foregoing sub-clauses of this Clause, the concerned Parties may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including executing and filing necessary confirmatory deeds, filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. In case of any ambiguity or lack of clarity on the Demerged Undertaking which has not been specifically provided in the Scheme on any aspect of the Scheme, the Board of Directors of the Demerged Company and the Resulting Company would mutually agree within the framework of the Companies Act, 2013 and other laws applicable to the respective entities.

4. CONSIDERATION

- 4.1. Upon this Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in terms of this Scheme, the Resulting Company shall without any further application or deed,

issue and allot Equity Shares, credited as fully paid up to the members of the Demerged Company holding fully paid up Equity Shares in the Demerged Company and whose name appear in the Register of Members of the Demerged Company on the Effective Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Resulting Company in the following manner/ratio:

1,000 (One Thousand Only) Fully paid-up Equity Shares of Rs. 10/- each of the Resulting Company for every 6,660 (Six Thousand Six Hundred only Fully Paid-up Equity Shares of Rs. 10/- each held in the Demerged Company (“**Share Entitlement Ratio**”)

The shares issued by the Transferee pursuant to this clause 4.1 are hereinafter referred to as “New Equity shares”

- 4.2. In respect of fractional entitlement to a shareholder, the same shall be rounded off to the nearest integer.
- 4.3. All the new equity shares to be issued and allotted by the Resulting Company under this Scheme shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.
- 4.4. The issue and allotment of New Equity Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Central Government / Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable were duly complied with. It is clarified that the approval of the members 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 New Equity Shares by the Resulting Company.
- 4.5. The Resulting Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of Equity Shares under this Scheme, by following the requisite procedure under applicable provisions of the law and the resolution approving the Scheme shall be deemed to be the approval of increase in the authorized share capital of the Resulting Company and on payment of applicable requisite fees and duties.

5. CANCELLATION OF EXISTING EQUITY SHARES OF THE RESULTING COMPANY HELD BY THE DEMERGED COMPANY, WHICH IS PART OF THE DEMERGED UNDERTAKING:

- 5.1. Upon the Scheme coming into effect, all equity shares of the Resulting Company held by Demerged Company (either directly or through nominees) shall stand

cancelled without any application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Demerged Company in lieu of shares of the Resulting Company. Considering the issue of new shares by the Resulting Company to the shareholders of the Demerged Company, in terms of Clause 4.1 of this Scheme, there will not be any reduction of Share Capital of the Resulting Company.

- 5.2. The consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the above cancellation, under the applicable provisions of the Act and no further resolution under any other applicable provisions of the Act, would be required to be separately passed.
- 5.3. Upon the Scheme coming into effect, the shares or the share certificates of the Resulting Company relating to the shares held by the Demerged Company in the Resulting, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

6. CONDUCT OF BUSINESS OF THE DEMERGED UNDERTAKING IN TRUST FOR THE RESULTING COMPANY:

- 6.1. With effect from the Appointed Date and till the Effective Date, the Demerged Company shall be deemed to have been carrying on and shall carry on the business of the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for Resulting Company. The Demerged Company undertakes to hold its said assets with utmost prudence until the Effective Date.
- 6.2. Until the Scheme is effective, the Demerged Company shall carry on the business and activities of the Demerged Undertaking with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of Resulting Company alienate, charge, mortgage, encumber or otherwise deals with or dispose of any business or part thereof.
- 6.3. With effect from the Appointed Date upon the Scheme becoming effective, all the profits or income accruing or arising to Demerged Company or expenditure or losses arising or incurred or suffered by Demerged Company, in relation to the business of the Demerged Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Resulting Company. The respective Boards may authorise one or more representatives who should mutually agree on the computation as aforesaid.
- 6.4. Demerged Company shall not vary the terms and conditions of employment of any of the employees in relation to the Demerged Undertaking except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by them, as the case may be.

- 6.5. It is clarified that all the taxes and duties payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards and up to the Effective Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company is expressly permitted to revise and the Resulting Company is expressly permitted to file their respective income tax returns including advance tax payments, tax deducted at source certificates, sales tax/ value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- 6.6. All assets (including fixed assets, current assets, cash and bank balances etc.) acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking or pertaining to the Demerged Undertaking shall be deemed to have been acquired for and on behalf of the Resulting Company.
- 6.7. All loans raised and/ or used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall without any further act or deed be and stand transferred to the Resulting Company and shall become its liabilities and obligations on the Scheme becoming effective.
- 6.8. All loans, liabilities and obligations of the Demerged Company relating to the Demerged Undertaking as on the Appointed Date, deemed to be transferred to the Resulting Company, which have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, shall be deemed to have been discharged for and on account of the Resulting Company.

7. EMPLOYEES

- 7.1. On the Scheme becoming effective, all staff, workmen and employees of Demerged Company pertaining to the Demerged Undertaking, who are in service as on the Effective Date shall become staff, workmen and employees of Resulting Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Resulting Company shall not be less favourable than those applicable to them with reference to their employment with Demerged Company on the Effective Date. Resulting Company agrees that the services of all such employees with Demerged Company up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Demerged Undertaking of Demerged Company shall be mutually decided by board of directors of both companies through their authorised representatives.
- 7.2. In respect of those employees of the Demerged Company who are employed in or in relation to the Demerged Undertaking, the Resulting Company shall stand

substituted for the Demerged Company for the purpose of making contributions towards Provident Fund, Gratuity and other Superannuation benefits, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company with respect to such employees and in relation to such benefits shall become those of the Resulting Company.

8. LEGAL PROCEEDINGS

- 8.1. All legal, or other proceedings by or against the Demerged Company and relating to the Demerged Undertaking, including proceedings under various tax laws, pending as on the Effective Date, shall be continued and enforced by or against the Resulting Company
- 8.2. If any proceedings are taken against the Demerged Company in respect of the matters referred to in Clause 8.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the later it shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 8.3. It is clarified that any amounts received by the Demerged Company after the Effective Date on account of any proceedings relating to the Demerged Undertaking, including proceedings under various tax laws, pending as on the Effective Date, shall be deemed to have been received in trust and on behalf of the Resulting Company and the same shall forthwith be remitted by the Demerged Company to the Resulting Company.
- 8.4. If any suit, appeal or other proceeding of whatever nature by or against Demerged Company, in relation to the Demerged Undertaking, is pending on the Effective Date the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or be anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Demerged Company as if this Scheme had not been made.

9. CONTRACTS, DEEDS, ETC

Subject to the other provisions of this Scheme, all contracts, deeds, Bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any of whatsoever nature pertaining to the Demerged Undertaking of the Demerged Company which is subsisting as on the Effective Date shall be in full force and effect against or in favour of Resulting Company and may be enforced by or against Resulting Company as fully and effectually as if instead of Demerged Company, the Resulting Company had been a party thereto.

10. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

Demerged Company and Resulting Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or subcommittee thereof, may make and/ or consent to any modifications/ amendments to the Scheme or to any conditions or

limitations that the Registrar of Companies, Official Liquidator, Central Government, NCLT or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Demerged Company and Resulting Company 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. In case, post approval of the Scheme by the Central Government or NCLT, as the case may be, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of Demerged Company and Resulting Company will have complete power to take the most sensible interpretation so as to render the Scheme operational

11. ACCOUNTING TREATMENT BY THE PARTIES IN RESPECT OF THEIR RESPECTIVE BOOKS OF ACCOUNTS

Accounting treatment in the books of the Demerged Company:

Upon the Scheme coming into force, with effect from the Appointed Date the Demerged Company shall account for the Scheme in its books of account in compliance to the applicable Accounting Standards and generally accepted accounting principles in India, as amended from time to time including as provided herein below.

- 11.1. Upon the scheme becoming effective the Demerged Company shall reduce the book value of all assets and liabilities pertaining to the Demerged undertaking as appearing in the books of account of the Demerged Company as on the close of the business on the day immediately prior to the Appointed Date.
- 11.2. The difference if any, between the carrying values of the assets and the carrying values of the liabilities pertaining to the Demerged undertaking shall be transferred to the Capital Reserve of the Demerged Company.
- 11.3. The inter-company balances, if any, appearing in the books of account of the Demerged Company and Resulting Company, which are part of the Demerged Undertaking being transferred, will stand cancelled and corresponding suitable effect shall be given in the books of accounts and records of the Demerged Company.
- 11.4. The Investment in the equity shares of the Resulting Company, as appearing in the books of accounts of the Demerged Company, shall stand cancelled and transferred to Capital Reserve of the Demerged Company and there shall be no further rights in that behalf.
- 11.5. Notwithstanding the above, the board of directors of the Demerged Company or a Committee thereof, in consultation with its statutory auditors, is authorized to account for any of these balances whatsoever, as may be deemed fit, in accordance with the Accounting Standards.

Accounting treatment in the books of the Resulting Company:

- 11.6. Upon the scheme becoming effective, the Resulting Company shall record the assets and liabilities pertaining to the Demerged undertaking, transferred to and vested in it pursuant to this Scheme, at the same values and same form as recorded in the books of Demerged undertaking as on the close of the business on the day immediately prior to the Appointed Date in compliance with the Indian Accounting Standard 103 on Business Combinations and Other Indian Accounting Standards (IndAS), as applicable, and notified under Section 133 of the Companies Act 2013, read with Companies (India Accounting Standards) Rules, 2015 as amended.
- 11.7. The Resulting Company shall credit its share capital account with the aggregate nominal value of the equity shares issued to the shareholders of the Demerged Company pursuant to this scheme, and reduce and cancel its Share Capital Account in terms of Clause 5.1.
- 11.8. The difference, if any, between the amount of carrying values of the assets over the liabilities of the Demerged Company pertaining to the Demerged Undertaking, and the amount credited to share capital, shall be transferred to the Capital Reserve.
- 11.9. If and to the extent there are inter-corporate loans, deposits or balances as between Demerged Undertaking and Resulting Company, the same shall be squared off and the obligations in respect thereof on and from the Appointed date shall stand cancelled and there shall be no obligation / outstanding in that behalf.
- 11.10. In case of any difference, in any of the accounting policies between the Demerged Company and the Resulting Company, the impact of the same in the scheme will be quantified and accounted in accordance with Indian Accounting Standard (AS) 8, *Accounting Policies, Changes in Accounting Estimates and Errors* to ensure that the financial statements of the Resulting Company reflects the financial position on the basis of consistent accounting policies.”

PART III: General terms and conditions applicable to this Scheme:

12. DIVIDENDS

- 12.1. The Parties shall be entitled to declare and pay dividends, whether interim or final, and/ or issue bonus shares prior to the Effective Date and in accordance with the Applicable Law and respective dividend policies of the Parties, if any, and in ordinary course of business.
- 12.2. It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Parties to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Parties, and subject to approval of the shareholders of the Parties, as applicable.

13. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 13.1. The Remaining Business of the Demerged Company and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business 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 anytime thereafter, which relate to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings relating to the Remaining Business of the Demerged Company.
- 13.3. If the Resulting Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, relating to the Remaining Business of the Demerged Company, the Parties 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 substitute the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Company against all losses, costs, liabilities and obligations incurred by or against the Resulting Company in respect thereof.

14. SCHEME CONDITIONAL ON APPROVAL/SANCTION

The Scheme is and shall be conditional upon and subject to the following:

- 14.1. The Scheme after receiving suggestions or modifications from the Registrar of Companies or any other person affected by the Scheme under section 233(1)(a) of the Companies Act, 2013 and being approved by respective requisite majorities of the members or class of members of the Demerged Company and Resulting Company as required under Section 233(1)(b) of the Companies Act, 2013;
- 14.2. The Scheme being approved by majority representing nine-tenth in value of the creditors of the Demerged Company and Resulting Company indicated in a meeting convened by the Demerged Company and Resulting Company by giving notice of twenty-one days along with the Scheme to its creditors for the purpose or otherwise approved in writing as per section 233(1)(d) of the Companies Act, 2013;

- 14.3. Sanctions and Orders under the provisions of Section 233 and other applicable provisions of the Act, if any, being obtained by the Demerged Company and the Resulting Company from the Central Government or the NCLT, as the case may be; and
- 14.4. Confirmation Order being filed with the Registrar of Companies either by way of filing required eforms with Ministry of Corporate Affairs Portal or otherwise as per Rule 25(7) of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

15. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme, the resolutions/ power of attorney executed by the Demerged Company as considered necessary by the Board of the Demerged Company in relation to the Demerged Undertaking and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Demerged Company, shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

16. APPLICATIONS/PETITIONS TO APPROPRIATE AUTHORITY

- 16.1. The Parties shall make and file all applications and petitions under Sections 233 and other applicable provisions of the Act before the Appropriate Authority, for sanction of this Scheme under the provisions of the Act.
- 16.2. The Parties 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 which the Resulting Company may require to own the assets and/ or liabilities of the Demerged Undertaking and to carry on the Marketing Communication and Allied Business.
17. If the Central Government does not confirm and refers this Scheme to NCLT consequent to objections or suggestions from the jurisdictional Registrar of Companies or for any other reason, then NCLT may consider this Scheme as per provisions of Section 230 to Section 232 of the Act and pass an order accordingly. In such a scenario, (a) all references to Section 233 of the Act in this Scheme shall be deemed to be references to Section 230 to Section 232 of the Act; and (b) relevant references to the Central Government shall be deemed to be reference to the NCLT.

18. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 18.1. The Boards of the Parties, may consent jointly but not individually, to make any modifications or amendments to this Scheme through their respectively authorised

Director / Persons at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties acting jointly may consent to any conditions or limitations that the Appropriate Authority may impose.

- 18.2. For the purposes of giving effect to this Scheme or any modification thereof, the Board of the Parties through their respective Authorised Directors/ Persons acting jointly may take such steps as may be necessary and give such directions including directions for settling any question or difficulty as may be necessary that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

19. WITHDRAWAL OF THIS SCHEME

The Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

20. SAVING OF CONCLUDED TRANSACTIONS

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 Appointed 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 thereto as done and executed on behalf of the Resulting Company.

21. RESIDUAL PROVISIONS:

- 21.1. Even after this Scheme becomes operative, the Resulting Company shall be entitled to operate all bank accounts relating to the Demerged Undertaking and realise all monies and complete and enforce all subsisting contracts and transactions in respect of the Demerged Undertaking in the name of the Demerged Company insofar as may be necessary, till the transfer of rights and obligations of the Demerged Company to the Resulting Company under this Scheme is formally accepted by the parties concerned.
- 21.2. The demerger and transfer and vesting of the Demerged Undertaking under this Scheme has been proposed in compliance with Section 2(19AA) and other applicable provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect the other parts of the Scheme.
