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# COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013

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HT MEDIA LIMITED  
(HTML)

AND

NEXT RADIO LIMITED  
(NRL)

AND

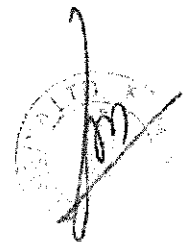
HT MUSIC AND ENTERTAINMENT COMPANY LIMITED  
(HTM)

AND

NEXT MEDIAWORKS LIMITED  
(NMW)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



A. PREAMBLE

This composite scheme of arrangement and amalgamation (hereinafter referred to as the "Scheme") is presented under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (to the extent notified and applicable) read with Section 2(19AA), Section 2(18) and other applicable provisions of the Income Tax Act and provides for:

- (a) demerger of the HTML Demerged Undertaking (as defined hereinafter) of HTML (as defined hereinafter) and transfer and vesting of the same to NMW (as defined hereinafter);
- (b) amalgamation of HTM (as defined hereinafter) with NMW;
- (c) demerger of the NRL Demerged Undertaking (as defined hereinafter) of NRL (as defined hereinafter) and transfer and vesting of the same to NMW; and
- (d) reduction of paid up share capital of NRL by cancellation and extinguishment of the entire shares held by NMW in NRL, which shall be regarded as reduction of share capital of NRL.

B. BACKGROUND OF COMPANIES INVOLVED IN THE SCHEME

- (a) HT Media Limited ("HTML"): HT Media Limited is a public limited company, incorporated on 3 December 2002, having its registered office at 18-20, Kasturba Gandhi Marg, New Delhi – 110001. Corporate Identification Number of HTML is L22121DL2002PLC117874. Equity shares of HTML are listed on BSE and NSE. HTML is a diversified conglomerate, *inter alia*, engaged in FM Radio broadcasting business (under the brand name "Fever" and "Nasha"), printing and publication of newspapers and periodicals, print, internet, education, entertainment and digital media business.
- (b) Next Radio Limited ("NRL"): Next Radio Limited is an unlisted public limited company incorporated on 14 October 1999 under the provisions of Companies Act, 1956 having its registered office at I-17, I-18 and I-19, 10<sup>th</sup> Floor, the Everest Building, 156, D J Dadajee Road, Tardeo Mumbai, Maharashtra - 400034. Corporate identification number of NRL is U32201MH1999PLC122233. NRL is a subsidiary of NMW and *inter alia* operates as FM Radio broadcaster under the brand name "Radio One" in (i) Delhi, (ii) Mumbai, (iii) Chennai, (iv) Kolkata, (v) Bengaluru, (vi) Pune, and (vii) Ahmedabad.
- (c) HT Music and Entertainment Company Limited ("HTM"): HT Music and Entertainment Company Limited is an unlisted public limited company incorporated on 28 October 2005 having its registered office at Hindustan Times House 18-20, Kasturba Gandhi Marg, New Delhi - 110001. Corporate identification number of HTM is U92131DL2005PLC142194. HTM is in the business, *inter alia* of operating FM Radio channel in Chennai under the brand name "Fever".
- (d) Next Mediaworks Limited ("NMW"): Next Mediaworks Limited is a public listed company incorporated on 12 March 1981 under the provisions of the Companies Act, 1956 having its registered office at 1-17, 1-18 & 1-19, 10<sup>th</sup> Floor, Tardeo Everest Premises Co-operative Society Limited, 156, D J Dadajee Road, Tardeo, Mumbai – 400034. Corporate



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Identification number of NMW is L22100MH1981PLC024052. Equity shares of NMW is listed on the BSE and NSE. NMW is engaged in FM Radio broadcasting business through its subsidiary viz. NRL which operates as FM Radio broadcaster under the brand "Radio One" in (i) Delhi, (ii) Mumbai, (iii) Chennai, (iv) Kolkata, (v) Bengaluru, (vi) Pune, and (vii) Ahmedabad.

#### C. RATIONALE OF THE SCHEME

- (a) HTML has various businesses that are complementary in nature. However, they are distinct in terms of their nature, regulatory & competitive environment, risk profile, workforce capability, capital requirement and growth trajectory. FM Radio Broadcasting business has a good growth potential. Management of HTML, HTM, NMW and NRL believe that they have synergies in their FM Radio broadcasting business.
- (b) This Scheme will consolidate the FM Radio broadcasting business in (i) Delhi, (ii) Mumbai, (iii) Chennai, (iv) Kolkata, (v) Bengaluru and (vi) Pune which are presently carried on separately by NRL, HTML and HTM which will enable the said business to be pursued and carried on more conveniently and advantageously by a single listed entity. Thus, the Scheme would enable this business to innovate, scale up and run independently to pursue growth opportunities in a more focused manner. Accordingly, with a view to support the FM Radio broadcasting business, to capitalize on its growth opportunities, led by a dedicated management team, it is proposed to consolidate FM Radio broadcasting business of HTML (excluding the radio station in Hyderabad and Uttar Pradesh), HTM and NRL (excluding radio station in Ahmedabad) in a single listed entity i.e. NMW.
- (c) Pursuant to the proposed transaction, HTML will also acquire control of NMW. Accordingly, there would be enhanced focus on the operations of the FM radio broadcasting business in NMW resulting into operational synergies, synchronised planning, better coordination, standardisation of business process under a dedicated management, who can chart out and pursue an independent strategy to unlock value for all stakeholders.
- (d) As part of a single listed entity, FM Radio broadcasting business shall be amenable to benchmarking and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders.
- (e) The Scheme would be in the best interest of all stakeholders.

#### D. PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- (a) **PART I** deals with the definitions of capitalized terms used in this Scheme and the details of share capital of the Parties to the Scheme;
- (b) **PART II** deals with the transfer and vesting of the HTML Demerged Undertaking from HTML as a going concern into NMW, in accordance with the provisions of section 2(19AA) of the Income Tax Act, and the consideration thereof;

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- (c) PART III deals with amalgamation of HTM with NMW in accordance with the provisions of section 2(1)(B) of the Income Tax Act, and the consideration thereof;
  - (d) PART IV deals with the transfer and vesting of the NRL Demerged Undertaking from NRL as a going concern into NMW, in accordance with the provisions of section 2(19AA) of the Income Tax Act, and the consideration thereof;
  - (e) PART V deals with reduction of the issued, subscribed and paid up share capital of NRL;
  - (f) PART VI deals with the reorganization of share capital of NMW;
  - (g) PART VII deals with the accounting treatment general terms and conditions that would be applicable to this Scheme; and
  - (h) PART VIII deals with the general terms and conditions that would be applicable to this Scheme.
- E. Upon implementation of the Scheme, NRL and HTML will continue to pursue their interests in and carry on the NRL Remaining Business (as defined hereinafter), and the HTML Remaining Business (as defined hereinafter) respectively, as is presently being carried on by each of them.

## PART I

### DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS

- 1.1 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under any definitive agreements executed between the Parties in relation to this Scheme, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Income Tax Act and other Applicable Law, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

In addition to the words and expressions defined elsewhere in this Scheme, unless it is contrary or repugnant to the subject, context or meaning thereof, the following words and expressions shall have the meanings as set out hereunder:

- 1.1.1 "Act" means the Companies Act, 2013 and shall include any other statutory amendment or re-enactment or restatement and the rules and/ or regulations and/ or other guidelines or notifications under Applicable Laws, made thereunder from time to time;
- 1.1.2 "Appointed Date" shall mean the Effective Date;
- 1.1.3 "Applicable Law" or "Law" means any applicable national, foreign, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations,



policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

**1.1.4 "Appropriate Authority" means:**

- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, Tribunal, court, central bank, commission or other authority thereof;
- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;
- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority, including stock exchanges, the Securities and Exchange Board of India, Ministry of Information and Broadcasting, Ministry of Corporate Affairs and Reserve Bank of India; and
- (d) any Stock Exchange;

(The term Appropriate Authorities shall be construed accordingly)

**1.1.5 "Board"** in relation to the Demerged Companies (as defined hereunder), HTM or NMW, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;

**1.1.6 "Business Day"** means any day, other than Saturday, Sunday or a public holiday on which commercial banks in Mumbai and Delhi remain open for ordinary banking business;

**1.1.7 "Control"** with respect to NMW shall mean the power to directly or indirectly direct the operating, capex and financing policies of NMW; and/or the power to directly or indirectly appoint more than half of the board of directors of NMW and/or the power to directly or indirectly appoint, remove and decide the remuneration of key management personnel of NMW;

**1.1.8 "Demerged Companies"** shall mean collectively NRL and HTML;

**1.1.9 "Demerged Undertakings"** means HTML Demerged Undertaking and NRL Demerged Undertaking collectively;

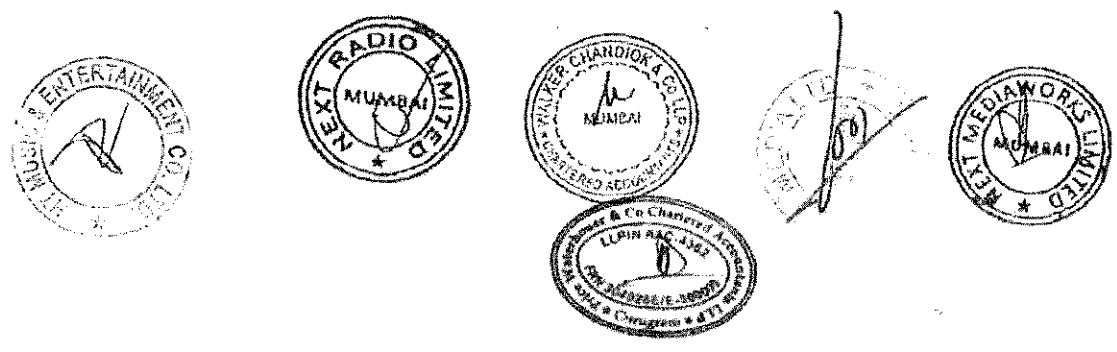
**1.1.10 "Effective Date"** shall have the meaning assigned to it in Clause 44 of the Scheme;



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- 1.1.11 "Encumbrance" means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, Transfer, receipt of income or exercise; or (iii) any hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term "Encumber" shall be construed accordingly;
- 1.1.12 "Equity" means equity in accordance with IND AS which inter-alia includes capital reserve, retained earnings, etc.;
- 1.1.13 "GOPA" means Grant of Permission Agreement entered into between President of India acting through Secretary, MIB (the Grantor therein) and the Demerged Companies / HTM (the Permission Holder therein) for grant of permission in relation to operating and maintaining the FM broadcasting Radio channels;
- 1.1.14 "HTM" means HT Music and Entertainment Company Limited, an unlisted public limited company incorporated on 28 October 2005 having its registered office at Hindustan Times House 18-20, Kasturba Gandhi Marg, New Delhi - 110001. Corporate Identification Number of HTM is U92131DL2005PLC142194;
- 1.1.15 "HTML" means HT Media Limited, a public limited company, incorporated on 3 December 2002, having its registered office at Hindustan Times House 18-20, Kasturba Gandhi Marg New Delhi - 110001 and having Corporate Identification Number L22121DL2002PLC117874;
- 1.1.16 "HTML Demerged Undertaking" means the FM Radio broadcasting business division operated by HTML (except the FM Radio stations operated by HTML in Uttar Pradesh and Hyderabad) on a going concern basis, and ancillary and support services together with all business units, undertakings, assets, properties, branches, marketing/dealer network, and liabilities of whatsoever nature and kind, and wherever situated, of HTML, in relation to and pertaining to the FM Radio broadcasting division (excluding the (i) events business and (ii) 'Fever audio tools' business, operated by HTML) and shall include without limitation:
  - (a) All the assets forming part of the HTML Demerged Undertaking as on the Appointed Date;
  - (b) All debts, commercial papers, liabilities, duties and obligations raised, incurred and/or utilized for the acquisition of assets or for business of the HTML Demerged Undertaking (including any loan taken for repayment of such liabilities) which are attached to and/or forming part of the HTML Demerged Undertaking as on the Appointed Date comprising of, all the debts, commercial papers, liabilities, duties and obligations, including contingent liabilities which arise out of the activities or operations of HTML in relation to the HTML Demerged Undertaking and all other debts, liabilities, duties, and obligations of HTML relating to the HTML Demerged Undertaking which may accrue or arise after the Appointed Date but which related to the period up to the day of immediately preceding the Appointed Date;



- (c) Without prejudice to the generality of sub-clause (i) and (ii) above, the HTML Demerged Undertaking, shall mean and include:
- (i) all the assets and properties, whether movable or immovable, real or personal, fixed assets, whether leased or otherwise, capital work in progress, inventory and work in progress, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent assets including Permits (as defined hereunder), quotas, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, including but not limited to the licenses to operate FM stations granted by MIB, Government of India and other agencies, registrations, subsidies, concessions, broadcasting programs and content, exemptions, remissions, presentations, music content, stock, investments, claims, power, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease hold rights, tenancy rights, authorisations quota rights including reserves, provisions, funds, utilities, electricity, water and other service connections, books, records, files, papers, engineering and process information, computer programmes along with licenses, drawings, backup copies, websites, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances recoverable in cash or in kind (including accrued interest), receivables, funds, cash, bank balances, accounts, and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the HTML Demerged Undertaking, as on the Appointed Date and all earnest money and/or deposits including security deposits / bank guarantees paid in relation to the HTML Demerged Undertaking as on the Appointed Date and other funds along with accrued interest thereon and benefits attached thereto, and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws, central goods and services tax, state goods and services tax and particularly sales tax benefits, CENVAT benefits, import and export benefits and custom duty benefits, tax deferrals, accumulated tax losses, unabsorbed tax depreciation of HTML in relation to the HTML Demerged Undertaking;
- (ii) any license fee / security deposits with any Appropriate Authority that may have been paid by HTML in relation to HTML Demerged Undertaking;
- (iii) all intellectual property rights (excluding trademarks and brand related rights), client relations (including pending client orders), domain names,



trade names and the goodwill associated therewith, patents rights (copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how assignments and grants in respect thereof of HTML in relation to HTML Demerged Undertaking as on the Appointed Date.

- (iv) All applications made by HTML for purpose of registration of the aforesaid intellectual property in relation to the HTML Demerged Undertaking;
- (v) all employees of HTML engaged in the HTML Demerged Undertaking;
- (vi) all duties and obligations which are relatable to HTML Demerged Undertaking;

and in each case, as on the Appointed Date.

- (d) Any question that may arise as to whether a specific asset (tangible or intangible) or liability pertains or does not pertain to the HTML Demerged Undertaking or not, shall be mutually decided by the Boards of HTML and NMW;

1.1.17 "HTML Remaining Business" means all the business, units, divisions, undertakings and assets and liabilities of HTML other than those forming part of the HTML Demerged Undertaking, including but not limited to, FM radio broadcasting business of HTML in Uttar Pradesh and Hyderabad, its printing and publication of newspapers and periodicals business and internet, entertainment and digital media businesses, its events business and 'Fever Audio Tools' business and any investments made by HTML;

1.1.18 "Income Tax Act" means the Income-tax Act, 1961;

1.1.19 "IND AS" means the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015;

1.1.20 "MIB" means the Ministry of Information and Broadcasting, Government of India;

1.1.21 "INR" means Indian Rupee, the lawful currency of the Republic of India;

1.1.22 "NRL" means Next Radio Limited, an unlisted public limited company incorporated on 14 October 1999 under the provisions of Companies Act, 1956 and having its registered office at I-17, I-18 and I-19, 10<sup>th</sup> Floor, the Everest Building, 156, D J Dadajee Road, Tardeo Mumbai, Maharashtra - 400034 and having corporate identification number U32201MH1999PLC122233;

1.1.23 "NRL Demerged Undertaking" means the FM Radio broadcasting business operated by NRL in (i) Delhi; (ii) Mumbai; (iii) Chennai; (iv) Kolkata; (v) Bengaluru; and (vi) Pune on a going concern basis and ancillary and support services together with all business units, undertakings, assets, properties, investments (direct and indirect), branches, marketing / dealer network, and liabilities of whatsoever nature and kind, and wherever situated, of



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NRL, in relation to and pertaining to its FM Radio broadcasting business and shall include without limitation:

- (a) All the assets forming part of the NRL Demerged Undertaking as on the Appointed Date;
- (b) All debts, commercial papers, liabilities, duties and obligations raised, incurred and/or utilized for the acquisition of assets or for business of the NRL Demerged Undertaking (including any loan taken for repayment of such liabilities) which are attached to and/or forming part of the NRL Demerged Undertaking as on the Appointed Date including and comprising of, all the debts, commercial papers, liabilities, duties and obligations, including contingent liabilities which arise out of the activities or operations of NRL in relation to the NRL Demerged Undertaking and all other debts, liabilities, duties, and obligations of NRL relating to the NRL Demerged Undertaking which may accrue or arise after the Appointed Date but which related to the period up to the day of immediately preceding the Appointed Date;
- (c) Without prejudice to the generality of sub-clause (i) and (ii) above, the NRL Demerged Undertaking, shall mean and include:
  - (i) all the assets and properties, whether movable or immovable, real or personal, fixed assets, whether leased or otherwise, capital work in progress, inventory and work in progress, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent assets including Permits (as defined hereunder), quotas, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, including licenses to operate FM stations granted by MIB, Government of India and other agencies, registrations, subsidies, concessions, broadcasting programs and content, exemptions, remissions, presentations, music content, stock, investments, claims, power, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease hold rights, tenancy rights, authorisations quota rights including reserves, provisions, funds, utilities, electricity, water and other service connections, books, records, files, papers, engineering and process information, computer programmes along with licenses, drawings, backup copies, websites, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances recoverable in cash or in kind (including accrued interest), receivables, funds, cash, bank balances, accounts, and all other rights, claims and powers, of whatsoever nature and where so



ever situated belonging to or in the possession of or granted in favour of or enjoyed by the NRL Demerged Undertaking, as on the Appointed Date and all earnest money and/or deposits including security deposits / bank guarantees paid in relation to the NRL Demerged Undertaking as on the Appointed Date and other funds along with accrued interest thereon and benefits attached thereto, and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws, central goods and services tax, state goods and services tax and particularly sales tax benefits, CENVAT benefits, import and export benefits and custom duty benefits, tax deferrals, accumulated tax losses, unabsorbed tax depreciation of NRL in relation to the NRL Demerged Undertaking;

- (ii) any license fee/security deposits with any Appropriate Authority that may have been paid by NRL in relation to NRL Demerged Undertaking;
- (iii) all intellectual property rights including trademarks, client relations (including pending client orders), brands, domain names, trade names and the goodwill associated therewith, patents rights (copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how assignments and grants in respect thereof of NRL in relation to NRL Demerged Undertaking as on the Appointed Date.
- (iv) All applications made by NRL for purpose of registration of any intellectual property in relation to the NRL Demerged Undertaking;
- (v) all employees of NRL engaged in the NRL Demerged Undertaking;
- (vi) all duties and obligations which are relatable to NRL Demerged Undertaking;

and in each case, as on the Appointed Date;

- (d) Any question that may arise as to whether a specific asset (tangible or intangible) or liability pertains or does not pertain to the NRL Demerged Undertaking or not, shall be mutually decided by the Boards of NRL and NMW;

1.1.24 "NRL Remaining Business" means all the business, units, divisions, undertakings and assets and liabilities of NRL other than those forming part of the NRL Demerged Undertaking;

1.1.25 "NMW" means Next Mediaworks Limited, a public listed company incorporated on 12 March 1981, under the provisions of the Companies Act, 1956 having its registered office at offices no. 1-17, 1-18 & 1-19, 10<sup>th</sup> Floor, Tardeo Everest Premises Co-operative Society Limited, 156, D J Dadajee Road, Tardeo, Mumbai - 400034 and having corporate identification number L22100MH1981PLC024052;

1.1.26 "Parties" shall mean collectively the HTML, HTM, NRL and NMW and "Party" shall mean



each of them, individually;

- 1.1.27 **"Permits"** means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory or regulatory as required under Applicable Law;
- 1.1.28 **"Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;
- 1.1.29 **"Record Date"** means any date which may be fixed by the Board of NMW in consultation with the Board of HTML for the purpose of determining the shareholders of the Demerged Companies for issue of the new equity shares of NMW pursuant to this Scheme;
- 1.1.30 **"RoC"** means the Registrar of Companies, Mumbai and the Registrar of Companies, NCT of Delhi and Haryana, as the case may be;
- 1.1.31 **"Scheme" or "this Scheme"** means this Composite Scheme of Arrangement and Amalgamation as modified from time to time;
- 1.1.32 **"SEBI"** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- 1.1.33 **"SEBI Circular"** means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 including Circular CFD/DIL3/CIR/2017/26 dated 23 March 2017, circular no CFD/DIL3/CIR/2017/105 dated Sep 21, 2017 and Circular CFD/DIL3/CIR/2018/2 dated 3 January 2018;
- 1.1.34 **"Stock Exchanges"** means BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE");
- 1.1.35 **"Taxation" or "Tax" or "Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, or otherwise or attributable directly or primarily to the Demerged Companies or HTM or NMW (as the case may be) or any other Person and all penalties, charges, costs and interest relating thereto;
- 1.1.36 **"Tax Laws"** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature; and
- 1.1.37 **"Tribunal"** means the Mumbai Bench of the National Company Law Tribunal having



jurisdiction over NRL and NMW, and the Delhi Bench of the National Company Law Tribunal having jurisdiction over HTML and HTM, as the case may be.

- 1.2 In this Scheme, unless the context otherwise requires:
- 1.2.1 reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the Execution Date) for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions;
- 1.2.2 words denoting the singular shall include the plural and words denoting any gender shall include all genders;
- 1.2.3 headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing the same;
- 1.2.4 the words "include" and "including" are to be construed without limitation;
- 1.2.5 reference to a clause, paragraph or schedule is, unless indicated to the contrary, a reference to a clause, paragraph or schedule of this Scheme;
- 1.2.6 references to days, months and years are to calendar days, calendar months and calendar years, respectively;
- 1.2.7 Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done by any Party or any other Person shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of such period is not a Business Day; and whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action shall be taken on the next Business Day;
- 1.2.8 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 1.2.9 in the event that the Parties enter into any definitive agreement in relation to this Scheme or any subject matter hereof, the provisions of such definitive agreement shall be binding on the Parties;
- 1.2.10 no provision of this Scheme shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof;
- 1.2.11 references to time (am or pm) are references to Indian Standard Time (IST);
- 1.2.12 the index, bold typeface, headings and titles herein are used for convenience of



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reference only and shall not affect the construction of this Scheme.

2. SHARE CAPITAL

2.1 The share capital of HTML as on 31 July 2018 is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
36,25,00,000 (Thirty-six crore twenty five lakh) equity shares of INR 2 (Two) each	72,50,00,000
<b>Total</b>	<b>72,50,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
23,27,48,314 (Twenty-three crore twenty-seven lakh forty-eight thousand three hundred and fourteen) equity shares of INR 2 (Two) each	46,54,96,628
<b>Total</b>	<b>46,54,96,628</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of HTML till the date of approval of the Scheme by the Board of HTML. The equity shares of HTML are listed on BSE and NSE.

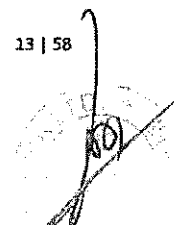
2.2 The share capital structure of HTM as on 31 July 2018 is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
3,36,00,00,000 (Three hundred and thirty six crores) equity shares of INR 1 each	3,36,00,00,000
<b>Total</b>	<b>3,36,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
3,34,00,00,000 (Three hundred and thirty four crores) equity shares of INR 1 each	3,34,00,00,000
<b>Total</b>	<b>3,34,00,00,000</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of HTM till the date of approval of the Scheme by the Board of HTM.

2.3 The share capital of NRL as on 31 July 2018 is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	



18,89,30,000 (Eighteen crore, eighty nine lacs and thirty thousand) equity shares of INR 10 (Ten) each	188,93,00,000
2,57,70,000 (Two crore, fifty seven lacs and seventy thousand) preference shares of INR 10 (Ten) each	25,77,00,000
<b>Total</b>	<b>2,14,70,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
7,57,40,287 (Seven crore fifty-seven lakh forty thousand two hundred and eighty-seven) equity shares of INR 10 (Ten) each	75,74,02,870
<b>Total</b>	<b>75,74,02,870</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of NRL till the date of approval of the Scheme by the Board of NRL.

- 2.4 The share capital structure of NMW as on 31 July 2018 is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
8,00,00,000 (Eight crore) equity shares of INR 10 (Ten) each	80,00,00,000
<b>Total</b>	<b>80,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
6,68,92,908 (Sixty crore sixty-eight lakh ninety-two thousand nine hundred and eight) equity shares of INR 10 (Ten) each	66,89,29,080
<b>Total</b>	<b>66,89,29,080</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of NMW till the date of approval of the Scheme by the Board of NMW. The equity shares of NMW are listed at BSE and NSE.

### 3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

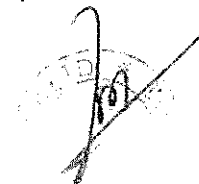
- 3.1 This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal and subject the provisions of Clause 44, shall become effective and operative from the Appointed Date.

## PART II

### DEMERGER AND VESTING OF THE HTML DEMERGED UNDERTAKING

#### 4. DEMERGER AND VESTING OF THE HTML DEMERGED UNDERTAKING

- 4.1 Upon the Scheme becoming effective and with effect from the Appointed Date, subject to the provisions of the Scheme and pursuant to the provisions of Sections 230 to 232 and all other provisions of the Act, the HTML Demerged Undertaking will be demerged and transferred from HTML and be transferred and vested into NMW, without any further act, deed or matter, on a



going concern basis, such that the HTML Demerged Undertaking shall without any other order to this effect, become the properties, assets, rights, claims, title, interest, authorities, licenses, Permits, registrations, quotas, allocations, investments and liabilities of NMW simply by virtue of approval of this Scheme and in the manner provided in this Scheme and in accordance with the provisions of section 2(19AA) of the Income Tax Act.

- 4.2 Without prejudice to the generality of Clause 4.1 above and upon this Scheme becoming effective and with effect from the Appointed Date, the entire business and undertaking of the HTML Demerged Undertaking, including the properties, claims, title, interest, assets of whatsoever nature such as Permits relating to the HTML Demerged Undertaking and all other right, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and where-so-ever situated, be and shall stand transferred to and vested in NMW as a going concern pursuant to the provisions of Section 232 of the Act, and other applicable provisions, if any, of the Act and pursuant to the order of the Tribunal sanctioning this Scheme and without any further act or deed or instrument and subject to the manner contemplated in this Scheme.
- 4.3 In respect of such of the assets and properties forming part of the HTML Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by HTML upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of NMW. The order sanctioning the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting and as the context may provide, by physical or constructive delivery, or by endorsement and delivery or by mere operation of the order of the Tribunal sanctioning the Scheme, in accordance with the Act, as appropriate to the nature of the movable property vested. The title to such property shall be deemed to have been mutated and recognised as that of NMW.
- 4.4 Without prejudice to the aforesaid, the HTML Demerged Undertaking, including all immovable property, whether or not included in the books of HTML, whether freehold or leasehold (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) of the HTML Demerged Undertaking shall stand transferred to and be vested in NMW, without any act or deed to be done or executed by HTML and/ or NMW. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, NMW shall be entitled to exercise all rights and privileges and be liable to pay all Taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of NMW pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by HTML and/ or NMW. It is clarified that NMW shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/ or substitution. Notwithstanding anything contained in this Scheme, for the purpose *inter alia* of payment of stamp duty, and vesting unto NMW the immovable properties relating to the HTML Demerged Undertaking, whether owned or leased, if the Board of NMW so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of NMW in respect of such immovable properties. The execution of such conveyance shall form an



integral part of the Scheme.

- 4.5 Notwithstanding any provision to the contrary, until any property, asset, license, approval, permission, contract, agreement, owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status and rights and benefits arising therefrom are transferred, vested, recorded, effected and/ or perfected, in the records of the Appropriate Authority(ies), in favour of NMW, NMW is deemed to be authorized to carry on business in the name and style of HTML under the relevant agreement, deed, lease and/or license, as the case may be, and enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement and NMW shall keep a record and/or account of such transactions. It is clarified that till entry is made in the records of the Appropriate Authority(ies), HTML will continue to hold the property and / or the asset, license, permission, approval as the case may be in trust on behalf of NMW.
- 4.6 In respect of assets other than those dealt with in Clauses 4.3 and 4.4 above and forming part of the HTML Demerged Undertaking, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the HTML Demerged Undertaking, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in NMW without any notice or other intimation to any Person in pursuance of the provisions of the Sections 230 to 232 of the Act, read with other relevant provisions of the Act to the end and intent that the right of HTML to recover or realise the same stands transferred to NMW.
- 4.7 HTML shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in NMW and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes and HTML shall provide all necessary assistance required in this regard to NMW.
- 4.8 All debts, commercial papers, liabilities, duties and obligations raised, incurred and/or utilized (including any loan taken for repayment of such liabilities and including contingent liabilities which arise out of the activities or operations of each of the HTML Demerged Undertaking) of HTML as on the Appointed Date and relating to the HTML Demerged Undertaking ("HTML Transferred Liabilities") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to NMW to the extent that they are outstanding as on the Appointed Date and shall become the debts, liabilities, loans, obligations and duties of NMW which shall meet, discharge and satisfy the same. The term "HTML Transferred Liabilities" shall include:
- 4.8.1 the liabilities which arise out of the activities or operations of the HTML Demerged Undertaking;
- 4.8.2 the specific loans or borrowings (including debentures raised, incurred and utilized solely for the activities or operations of the HTML Demerged Undertaking); and
- 4.8.3 in cases other than those referred to in Clauses 4.8.1 or 4.8.2 above, so much of the amounts of general or multipurpose borrowings, if any, of HTML, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bear to





the total value of the assets of HTML as on the date immediately prior to the Appointed Date.

- 4.9 In so far as any Encumbrance in respect of HTML Transferred Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the HTML Demerged Undertaking which may have been encumbered in respect of the HTML Transferred Liabilities as transferred to NMW pursuant to this Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the HTML Remaining Undertaking are concerned, the Encumbrance, if any, over such assets relating to the HTML Transferred Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the HTML Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to NMW pursuant to this Scheme and which shall continue with HTML, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.
- 4.10 Without prejudice to the provisions of the foregoing Clauses of this Clause 4, and upon the effectiveness of Part II of this Scheme, HTML and NMW shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the RoC to give formal effect to the relevant provisions of this Scheme.
- 4.11 Any claims due to HTML from its customers or otherwise and which have not been received by HTML as on the date immediately preceding the Appointed Date as the case may be, in relation to or in connection with the HTML Demerged Undertaking, shall also belong to and be received by NMW.
- 4.12 All debentures, commercial papers, bonds, other debt securities and other instruments of like nature (whether convertible into equity shares or not) including non-convertible debentures issued to/ held by HTML, in relation to or in connection with the HTML Demerged Undertaking, shall upon coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in NMW.
- 4.13 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, in relation to or in connection with the HTML Demerged Undertaking, HTML shall, if so required by NMW, issue notices in such form as NMW may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of NMW, as the person entitled thereto, to the end and intent that the right of HTML to recover or realise the same, stands transferred to NMW and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.14 On and from the Effective Date, and thereafter, NMW shall be entitled to operate all bank accounts of HTML, in relation to or in connection with the HTML Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions in relation to or in connection with the HTML Demerged Undertaking, in the name of NMW in so far as may be



necessary until the transfer of rights and obligations of the HTML Demerged Undertaking to NMW under this Scheme have been formally given effect to under such contracts and transactions. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that till such time that the name of the bank accounts of HTML, in relation to or in connection with the HTML Demerged Undertaking, have been replaced with that of NMW, NMW shall be entitled to operate the bank accounts of HTML, in relation to or in connection with the HTML Demerged Undertaking, in the name of HTML in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of HTML, in relation to or in connection with the HTML Demerged Undertaking, after the Effective Date shall be accepted by the bankers of NMW and credited to the account of NMW, if presented by NMW. NMW shall be allowed to maintain bank accounts in the name of HTML for such time as may be determined to be necessary by NMW for presentation and deposition of cheques and pay orders that have been issued in the name of HTML, in relation to or in connection with the HTML Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against HTML, in relation to or in connection with the HTML Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of HTML shall be instituted, or as the case maybe, continued by or against NMW after this Scheme comes into effect.

4.15 NMW shall be entitled to the benefit of all insurance policies which have been issued in respect of HTML pertaining to the HTML Demerged Undertaking and the name of NMW shall be substituted as "Insured" in the policies as if HTML was initially a party thereto.

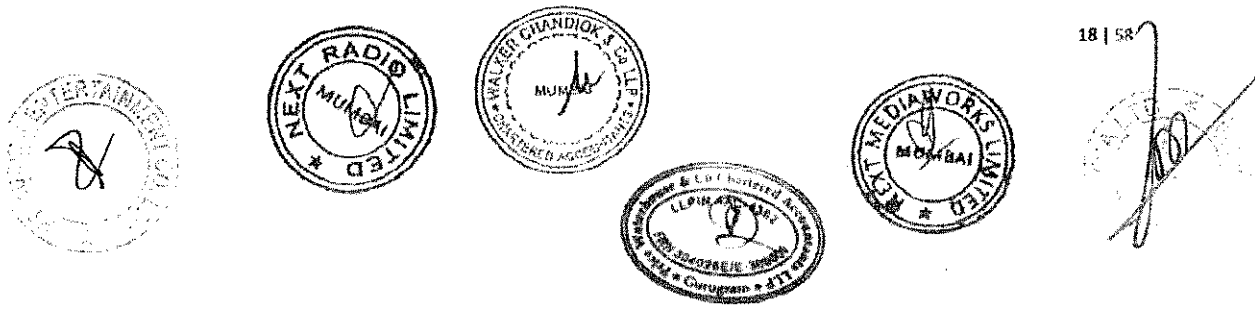
5. PERMITS

5.1 Upon the Scheme becoming effective, with effect from the Appointed Date, Permits relating to the HTML Demerged Undertaking shall be transferred to and vested in NMW and the concerned licensor and grantors of such Permits shall endorse where necessary, and record NMW on such Permits so as to empower and facilitate the approval and vesting of the HTML Demerged Undertaking in NMW and continuation of operations pertaining to the HTML Demerged Undertaking in NMW without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in NMW without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of NMW as if the same were originally given by, issued to or executed in favour of NMW and NMW shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to NMW.

5.2 The benefit of all Permits pertaining to the HTML Demerged Undertaking shall without any other order to this effect, be transferred and vest into and become available to NMW pursuant to the sanction of this Scheme.

6. CONTRACTS

6.1 Upon the Scheme becoming effective, subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, including all tender or bids which have been submitted in relation to the HTML Demerged Undertaking, to which HTML is a party and which is subsisting or having effect on the date immediately preceding the Appointed Date shall remain in full force and effect against or in favour of NMW and shall be binding on and be enforceable by



and against NMW as fully and effectually as if NMW had at all material times been a party or beneficiary or oblige thereto. NMW will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.

6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the HTML Demerged Undertaking occurs by virtue of this Scheme, NMW may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which HTML is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. With effect from the Appointed Date, NMW shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of HTML to carry out or perform all such formalities or compliances referred to above on the part of HTML.

7. EMPLOYEES

7.1 All the employees as on Effective Date, pertaining to the HTML Demerged Undertaking, shall become employees of and be engaged by NMW, by operation of law, on terms and conditions, which, as a result, shall be no less favorable than those on which they are currently engaged by HTML, without any interruption of service as a result of transfer and vesting of HTML Demerged Undertaking.

7.2 All contributions made by HTML on behalf of its employees pertaining to the HTML Demerged Undertaking and all contributions made by the employees including the interests arising thereon, to the funds and standing to the credit of such employees' account with such funds as on Effective Date, shall be transferred to the funds maintained by the NMW along with such of the investments made by such funds which are referable and allocable to the employees of the HTML Demerged Undertaking of HTML and NMW shall stand substituted for HTML with regard to the obligation to make the said contributions.

7.3 With regard to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees pertaining to the HTML Demerged Undertaking as on the Effective Date, shall be continued on the same terms and conditions by NMW and NMW shall stand substituted for HTML, for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Laws or otherwise. Further, the employees of HTML Demerged Undertaking entitled to the benefit of superannuation and gratuity fund from HTML as on Effective Date, shall continue to be entitled to the same from NMW. It is the intent that all the rights, duties, powers and obligations of HTML in relation to such fund or funds shall become those of NMW without need of any fresh approval from any Appropriate Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees by NMW and the services of all such employees of HTML Demerged Undertaking for such purpose shall be treated as having been continuous. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of HTML.



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- 7.4 Services of all employees of HTML, pertaining to the HTML Demerged Undertaking prior to the transfer, shall be taken into account by the NMW for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in HTML. NMW undertakes to pay the same, as and when payable under Applicable Laws.
- 7.5 HTML will transfer/handover to NMW, copies of employment information of all such transferred employees of HTML Demerged Undertaking, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 7.6 The contributions made by HTML under Applicable Law in connection with the employees of the HTML Demerged Undertaking to the funds, for the period after the Appointed Date (if any) shall be deemed to be contributions made by NMW.
- 7.7 NMW shall continue to abide by any agreement/ settlement, if any, entered into or deemed to have been entered into by HTML with any employee / union of HTML who are engaged in or in relation to the HTML Demerged Undertaking.

**8. LEGAL PROCEEDINGS**

- 8.1 Any suits, appeals or other proceedings of whatsoever nature and pending in any court, tribunal or any other forum, relating to the HTML Demerged Undertaking, whether by or against HTML, shall not abate or determine or be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of the HTML Demerged Undertaking into NMW or of any order of or direction passed or issued in such proceedings or anything contained in this Scheme, but such legal proceedings shall continue and any prosecution shall be enforced by or against NMW in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against HTML, as if Part II of the Scheme had not been implemented.
- 8.2 All suits, claims, actions and legal proceedings initiated by or against HTML, pertaining to HTML Demerged Undertaking shall stand transferred to NMW and the same shall be continued, prosecuted and enforced by or against NMW upon the coming into effect of this Scheme. Upon the coming into effect of this Scheme, NMW: (a) shall be replaced/ added as party to such proceedings relating to the HTML Demerged Undertaking; and (b) shall prosecute or defend such proceedings at its own cost and the liability of HTML shall consequently stand nullified.

**9. TAX TREATMENT**

- 9.1 The provisions of this Part have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income Tax Act. 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 shall prevail, and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act. Such modification(s), will, however, not affect the other provisions of the Scheme.

- 9.2 NMW will be the successor of HTML vis-à-vis the HTML Demerged Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the HTML Demerged Undertaking and the obligations, if any, for payment of taxes on any assets of the HTML Demerged Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by the NMW, or as the case may be deemed to be the obligation of the NMW.
- 9.3 With effect from the Appointed Date, all taxes, duties, cess, receivables/ payables by HTML relating to the HTML Demerged Undertaking including all or any refunds/ credits/ claims/ tax losses/ unabsorbed depreciation relating thereto shall be treated as the assets/ liability or refund/ credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of NMW.
- 9.4 In so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by HTML, in relation to or in connection with the HTML Demerged Undertaking, are concerned as on the Appointed Date, including the benefit of brought forward losses, unabsorbed depreciation, income-tax deductions, recognitions and exemptions under applicable provisions of the Income Tax Act, the same shall, without any further act or deed, vest with and be available to NMW on the same terms and conditions on and from the Effective Date.
- 9.5 HTML and NMW are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/ returns and to claim refund, advance tax, credits, excise and other indirect tax credits, set off etc. on the basis of the accounts of HTML Demerged Undertaking as vested with NMW upon coming into effect of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.
- 9.6 Any refund, under the Income Tax Act, Goods & Service Tax Act, 2017, service tax laws, excise duty laws, central sales Tax, applicable state value added Tax laws or other Applicable Laws/ regulations dealing with taxes/ duties/ levies due to HTML Demerged Undertaking of HTML consequent to the assessment made on HTML and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the NMW upon this Scheme becoming effective.
- 9.7 The tax payments (including, without limitation income tax, Goods & Service Tax, service tax, excise duty, central sales tax, applicable state value added Tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by HTML with respect to the HTML Demerged Undertaking after the Appointed Date (if any), shall be deemed to be paid by NMW and shall, in all proceedings, be dealt with accordingly.
- 9.8 Any tax liabilities under the Goods and Services Tax Act 2017, Customs Act, 1962, Central Excise Act, 1944 or any other applicable Tax Laws to the extent not provided for or covered by any tax provision in HTML accounts, in relation to or in connection with the HTML Demerged Undertaking, made as on the date immediately preceding the Appointed Date shall be transferred to NMW. Any surplus in the provision for taxation/ duties/ levies account as on the date immediately preceding the Appointed Date in relation to the HTML Demerged Undertaking will also be



transferred to the account of and belong to NMW.

- 9.9 Obligation for deduction of tax at source on any payment made by or to be made by HTML shall be made or deemed to have been made and duly complied with by the NMW.
- 9.10 Upon the Scheme becoming effective, all unveiled credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, Goods and Service Tax, cenvat, sustoms, VAT, sales tax, service Tax etc. relating to the HTML Demerged Undertaking to which HTML is entitled shall be available to and vest in the NMW, without any further act or deed.
- 9.11 All the expenses incurred by HTML and the NMW in relation to the demerger of the HTML Demerged Undertaking in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the respective companies in accordance with section 35DD of the Income Tax Act over a period of five years beginning with the financial year in which this Scheme becomes effective.
- 9.12 Without prejudice to the generality of the above, all benefits including under Tax Laws, to which HTML, in relation to or in connection with the HTML Demerged Undertaking, is entitled in terms of the applicable Tax Laws, including, but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/ entity, shall be available to, and vest in, NMW.

**10. BOOKS AND RECORDS**

All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, pertaining to the HTML Demerged Undertaking, to the extent possible and permitted under Applicable Laws, be handed over by HTML to NMW.

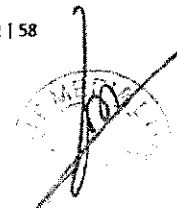
**11. CONSIDERATION**

- 11.1 Upon this Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, NMW shall, without any further application, act, deed payment, consent, acts, instrument or deed, issue and allot to each shareholder of HTML, whose name is recorded in the register of members and records of the depository as members of HTML on the Record Date, in the following proportion:

*"784 (Seven Hundred and Eighty-Four) equity shares of face value of INR 10 (Rupees Ten) each of NMW shall be issued and allotted, credited as fully paid-up, for every 1,000 (One Thousand) equity shares of face value of INR 2 (Rupees Two) each fully paid up held in HTML"*

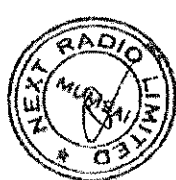
- 11.2 The equity shares of NMW, as the case may be, to be issued and allotted as provided in Clause 11.1 above shall be subject to the provisions of the memorandum of association and articles of association of NMW, as the case may be, and shall rank *pari passu* in all respects with the existing equity shares of NMW, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits.

- 11.3 In case any shareholder's shareholding in HTML is such that such shareholder becomes entitled



to a fraction of an equity share of NMW, NMW shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated share certificates directly to a trustee nominated by the Board of NMW in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to NMW, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon NMW shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of HTML in proportion to their respective fractional entitlements so sold by the trustee.

- 11.4 The issue and allotment of equity shares as provided in Clause 11.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of NMW or HTML or their shareholders and as if the procedure laid down under the provisions of the Act, as may be applicable, and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of NMW and/ or HTML to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, pursuant to this Clause 11.
- 11.5 The equity shares issued pursuant to Clause 11.1 shall be in dematerialized form unless otherwise notified in writing by a shareholder of HTML to NMW on or before such date as may be determined by the Board of HTML. In the event such a notice has not been received by NMW in respect of any of the shareholders of HTML, the equity shares shall be issued to such shareholders in dematerialized form provided that the shareholders of HTML shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event if NMW has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of NMW, then NMW shall issue the equity shares in physical form to such shareholder or shareholders.
- 11.6 NMW shall apply for listing of their equity shares including those issued in terms of Clause 11.1 above on the Stock Exchanges in terms of and in compliance of the SEBI Circular. The equity shares allotted by NMW in terms of Clause 11.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.
- 11.7 NMW shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 11.8 In the event that the Parties restructure their equity share capital by way of share split / consolidation / Issue of bonus shares during the pendency of the Scheme, the share exchange ratio as mentioned in Clause 11.1, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 11.9 The new equity shares to be issued by NMW, pursuant to Clause 11.1 above, in respect of any equity shares of HTML, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be



held in abeyance by NMW.

- 11.10 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of HTML, the Board of HTML shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in HTML as if such changes in the registered holder were operative as on the Record Date and to remove any difficulties arising thereto.
- 11.11 NMW shall, if and to the extent required to, apply for and/or intimate and/or obtain any approvals from the concerned regulatory authorities for issue and allotment of shares pursuant to the Scheme including the provisions of Foreign Exchange Management Act, 1999, if any, for issue and allotment of new equity shares to the non-resident equity shareholders of HTML, if any.

## 12. HTML REMAINING BUSINESS

- 12.1 The HTML Remaining Business and all the assets, investments, liabilities and obligations of HTML, shall continue to belong to and be vested in and be managed by HTML.
- 12.2 All legal, Taxation and/ or other proceedings by or against HTML under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the HTML Remaining Business of HTML (including those relating to any property, right, power, liability, obligation or duties of HTML in respect of the HTML Remaining Business) shall be continued and enforced against HTML.
- 12.3 If proceedings are taken against NMW in respect of matters referred to in Clause 12.2 above relating to the HTML Remaining Business, it shall defend the same in accordance with the advice of HTML and at the cost of HTML, and the latter shall reimburse and indemnify NMW, against all liabilities and obligations incurred by NMW in respect thereof.
- 12.4 If proceedings are taken against HTML in respect of matters referred to in Clause 12.2 above relating to the HTML Demerged Undertaking, it shall defend the same in accordance with the advice of NMW and at the cost of the said NMW, and the latter shall reimburse and indemnify HTML, against all liabilities and obligations incurred by HTML in respect thereof.

## PART III

### AMALGAMATION OF HTM WITH NMW AND OTHER RELATED MATTERS

#### 13. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES AND ENTIRE BUSINESS OF HTM

- 13.1 Upon the Scheme becoming effective and with effect from the Appointed Date and pursuant to the provisions of Section 232 and other applicable provisions of the Act, if any, and in accordance with provisions of Section 2(1B) of the Income Tax Act, the entire undertaking of HTM along with all assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of the undertaking of HTM shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in NMW as a going concern so as to become as and from the Appointed Date, the undertaking of NMW by virtue of and in the manner provided in this Scheme.





13.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

- 13.2.1 all assets of HTM, that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting orders of the Tribunal sanctioning the Scheme, shall stand vested in NMW and shall be deemed to be and have become the property of NMW by operation of law without any further act or execution of an instrument with the intent of vesting such assets in NMW. The order sanctioning the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting and as the context may provide, by physical or constructive delivery, or by endorsement and delivery or by mere operation of the order of the Tribunal sanctioning the Scheme, in accordance with the Act, as appropriate to the nature of the movable property vested. The title to such property shall be deemed to have been mutated and recognised as that of NMW;
- 13.2.2 all other movable properties of HTM, including investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the order of the Tribunal and by operation of law become the property of NMW, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of NMW.
- 13.2.3 all investments of HTM shall be recorded in the name of NMW by operation of law as transmission in favour of NMW as a successor in interest and any documents of title in the name of HTM shall also be deemed to have been mutated and recorded in the name of NMW to the same extent and manner as originally held by HTM and enabling the ownership, right, title and interest therein as if NMW was originally HTM. NMW shall subsequent to the order of the Tribunal be entitled to the delivery and possession of all documents of title of such movable property in this regard;
- 13.2.4 all immovable properties of HTM, including land(s) and / or together with the buildings and structures standing thereon, estates and rights and interests in all immovable properties of HTM, whether freehold or leasehold or otherwise and all documents of title, rights and easements, including pending mutation(s) in relation thereto shall stand vested in and/or be deemed to have been vested in NMW, as successor in interest and / or title to HTM, by operation of law and upon the Scheme coming into effect. Such assets shall stand vested in NMW and shall be deemed to be and have become the property of NMW by operation of law. NMW shall be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable property. The title to such properties shall be deemed to have been mutated and as regards pending mutation(s) shall be deemed to have been mutated in the name of NMW and recognised as that of NMW and the mere filing of necessary documents with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing titles with NMW and shall constitute a deemed mutation. NMW shall, pursuant to the order of the Tribunal be entitled to the



delivery and possession of all documents of title to such immovable property. It is hereby clarified that all the rights, title and interest of HTM in any leasehold properties shall, pursuant to Section 232(3) of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in NMW;

13.2.5 notwithstanding any provision to the contrary, until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/ or perfected, in the records of the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies, in favour of NMW, NMW is deemed to be authorized to carry on business in the name and style of HTM under the relevant agreement, deed, lease and/or license, as the case may be, and NMW shall keep a record and/or account of such transactions.

13.2.6 notwithstanding anything contained in this Scheme, in respect of the immovable properties of HTM, whether owned or leased, for the purpose *inter alia* of payment of stamp duty, and vesting unto NMW and if the Board of NMW so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of NMW in respect of such immovable properties. The execution of such conveyance shall form an integral part of the Scheme.

13.2.7 provided that, if required, for the purpose of giving effect to the orders passed under Sections 230 to 232 of the Act in respect of this Scheme, NMW shall at all times be entitled to effect the change in the title and the appurtenant legal right(s) upon the vesting of such properties (including all the immovable properties) of HTM in accordance with the provisions of Section 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other appropriate authority, in the jurisdiction where any such property is situated. NMW shall be entitled to engage in such correspondence, execute such documents and agreements, and make such representations as may be necessary to effect any mutation, if required. It is clarified that such correspondence, documents and agreements entered into by NMW in furtherance of the Scheme for ease of completion of mutation shall be deemed to be an integral part of the Scheme and the order sanctioning the same and such correspondence, documents and agreements, shall not constitute a separate instrument;

13.2.8 all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether in Indian rupees or foreign currency, whether or not provided for in the books of account or disclosed in the balance sheets of HTM shall stand vested in NMW and shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of NMW, and NMW shall assume and undertake to meet, discharge and satisfy the same under their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement, by virtue of which such debts, liabilities, duties and obligations have arisen, to give effect to the provisions of this Clause;

13.2.9 all registrations, goodwill, licenses, service marks, copyrights, domain names, applications for copyrights, trade names (excluding trademarks and brand rights) and other



intellectual property rights, appertaining to HTM, if any, shall stand vested in NMW without any further act, instrument or deed;

13.2.10 all taxes (including but not limited to disputed tax demands, advance tax, tax deducted at source, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc) payable by or refundable to HTM, including all or any refunds or disputed tax demands, if confirmed, or claims shall be treated as the tax liability or refunds/claims, as the case may be, of NMW, and any incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, subsidies, grants, special status, other benefits, as would have been available to HTM, shall, be available to NMW;

13.2.11 NMW shall stand substituted in and shall always be deemed to have been a party to all agreements, MOUs, deeds, contracts, rights of use in land, authorisations, permits, approvals, entitlements, subsidies, grants, including any indemnities, guarantees or other similar rights and entitlements whatsoever, etc. of whatever nature and wheresoever situate to which HTM is a party, including any benefits to which HTM may be eligible or entitled, and subsisting or being effective on or immediately before the Effective Date (collectively referred to as "Agreements") and all such Agreements and all interests therein shall remain in full force and effect against or in favour of NMW and shall be binding on and be enforceable by and against NMW as fully and effectually as if NMW had at all material times been a party thereto. NMW, if so required, shall provide certified copies of the order of Tribunal sanctioning the Scheme to the counter parties to the Agreements for information purposes and such party or authority shall make and duly record the necessary substitution or endorsement in the name of NMW as successor, pursuant to such orders without any break in the validity and enforceability of such Agreement. However, till the time such substitution/ endorsement is actually effected, NMW shall always be deemed to be a party to all such Agreements and be allowed to operate in the name and style of HTM. It is hereby clarified that all rates, fees, etc. paid by HTM till the Effective Date shall be considered paid by or for NMW and shall be considered part of total sum payable under such Agreement and NMW shall not be called upon or required to pay the same again;

13.2.12 all approvals, consents, exemptions, registrations, no-objection certificates, Permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature in relation to HTM, or to the benefit of which HTM may be eligible/entitled, and which are subsisting or having effect on the Effective Date, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of HTM, and shall be in full force and effect in favour of NMW and may be enforced as fully and effectually as if, instead of HTM, NMW had been a party or beneficiary or obligor thereto. NMW shall file certified copies of the order of the Tribunal sanctioning the Scheme and, if required, file appropriate applications or forms with the relevant authorities concerned for statistical and information purposes only and third party or authority shall make and



duly record the necessary substitution or endorsement in the name of NMW as successor pursuant to such orders without any break in the validity and enforceability of such approvals, consents, etc. However, till the time such substitution/ endorsement is actually effected, NMW is authorized and shall always be deemed to have been authorised to carry on business in the name and style of HTM and under the relevant license and or permit and / or approval, as the case may be. It is hereby clarified that all rates, fees, etc. paid by HTM till the Effective Date shall be deemed to have been paid by or for NMW and shall be considered part of the total sum payable in relation to such licence, etc. and NMW shall not be called upon or required to pay the same again;

13.2.13 benefits of any and all corporate approvals as may have already been taken by HTM, whether being in the nature of compliances or otherwise under the Act, read with the rules and regulations made thereunder, shall stand vested in NMW and the said corporate approvals and compliances shall be deemed to have been taken/complied with by NMW.

13.3 If and to the extent there are loans, deposits or balances or other outstanding inter-se between HTM and NMW, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of NMW. For removal of doubts, it is hereby clarified that there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between HTM and NMW, with effect from the Appointed Date.

13.4 The vesting of the entire undertaking of HTM, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of HTM or part thereof on or over which they are subsisting on and vesting of such assets in NMW and no such Encumbrances shall extend over or apply to any other asset(s) of NMW. Any reference in any security documents or arrangements (to which HTM is a party) related to any assets of HTM shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of NMW. Similarly, NMW shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of HTM shall not extend or be deemed to extend or apply to the assets so vested.

13.5 Without prejudice to the foregoing Sections and upon this Scheme becoming effective, HTM and NMW shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the RoC having jurisdiction, to give formal effect to the above provisions, if required. It is clarified that upon the Scheme becoming effective, HTM shall stand dissolved and that NMW shall for the limited purpose of this Clause be authorised to execute any instruments or documents or do all the acts and deeds as may be required in the name of HTM.

13.6 Notwithstanding any provision to the contrary, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom are transferred, vested, recorded, effected and/ or perfected, in the records of the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies, regulatory bodies or otherwise, in favour of NMW, NMW is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if



it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement.

13.7 Notwithstanding any provision to the contrary, upon the Effective Date and until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights and liberties are formally recorded, effected and/or perfected, in the records of the appropriate authority, in favour of NMW, NMW is and shall deemed to be authorized to carry on business in the name and style of HTM under the relevant agreement, deed, lease and/or license, as the case may be.

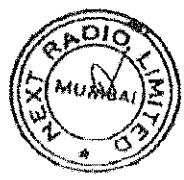
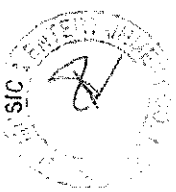
13.8 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that, with effect from the Effective Date and till such time that the name of the bank accounts of HTM is replaced with that of NMW, NMW shall be entitled to operate the bank accounts of HTM in the name of HTM in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of HTM after the Effective Date shall be accepted by the bankers of NMW and credited to the account of NMW, if presented by NMW. NMW shall be allowed to maintain bank accounts in the name of HTM for such time as may be determined to be necessary by NMW for presentation and deposition of cheques and pay orders that have been issued in the name of HTM.

13.9 On the approval of this Scheme by the shareholders and creditors of HTM and NMW, such shareholders and creditors, to the extent required under applicable law, shall also be deemed to have resolved and accorded all relevant consents under the Act or other applicable laws or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.

14. EMPLOYEES

14.1 All employees in employment of HTM as on Effective Date shall become employees of NMW, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by HTM without any interruption of service as a result of amalgamation and transfer of employment. With regard to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of such transferred employees of HTM, NMW shall stand substituted for HTM, with whom they were earlier employed for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by HTM, in accordance with the provisions of Applicable Laws or otherwise. Further, the employees of HTM entitled to the benefit of superannuation and gratuity fund from HTM shall continue to be entitled to the same from NMW. It is hereby clarified that the aforesaid benefits or schemes shall continue to be provided or operated by NMW in place of HTM in relation to all such transferred employees and the services of all such transferred employees for such purpose shall be treated as having been continuous.

14.2 The services of all employees of HTM, shall be taken into account by NMW for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in HTM. NMW undertakes to pay the same, as and when



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payable under Applicable Laws.

- 14.3 The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, annuity, deposit linked insurance fund, pension, staff welfare scheme and any other special scheme or benefits created by HTM for employees of HTM shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, annuity, deposit linked insurance fund, pension, staff welfare scheme, being maintained by NMW or as may be created by NMW for such purpose. Pending such transfer, the contributions required to be made in respect of such transferred employees of HTM shall continue to be made by NMW to the existing funds maintained by HTM. It is the intent that all the rights, duties, powers and obligations of HTM in relation to such fund or funds shall become those of NMW without need of any fresh approval from any statutory authority.
- 14.4 HTM will transfer/handover to NMW, copies of employment information of all such transferred employees of HTM, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 14.5 The contributions made by HTM in respect of its employees under Applicable Law, to the provident fund, gratuity fund, leave encashment fund and any other special scheme or benefits created, for the period after the Appointed Date (if any) shall be deemed to be contributions made by NMW.
- 14.6 NMW shall continue to abide by any agreement(s)/ settlement(s) entered into by HTM with employees of HTM which are subsisting or having effect immediately prior to Appointed Date.

**15. LEGAL PROCEEDINGS**

- 15.1 Any suit, petition, appeal or other proceeding of whatsoever nature and any orders of court, judicial or quasi-judicial tribunal or other governmental authorities enforceable by or against the HTM including without limitation any restraining orders pending before any court, judicial or quasi-judicial tribunal or any other forum, relating to the HTM, whether by or against the HTM, pending as on the Effective Date, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the HTM or of any order of or direction passed or issued in the amalgamation proceedings or anything contained in this Scheme, but by virtue of the order sanctioning the Scheme, such legal proceedings shall be continued and any prosecution shall be enforced by or against the NMW in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the HTM, as if this Scheme had not been implemented.

**16. CONTRACTS, DEEDS, ETC.**

- 16.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, permits, rights,



entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) for the purpose of carrying on the business of HTM, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to HTM, or to the benefit of which HTM may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, Agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, Permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) of NMW. Such properties and rights described hereinabove shall stand vested in NMW and shall be deemed to be the property and become the property by operation of law as an integral part of NMW. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against NMW and shall be the legal and enforceable rights and interests of NMW, which can be enforced and acted upon as fully and effectually as if it were HTM. Upon this Scheme becoming effective, the rights, benefits, privileges, duties, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties, shall be deemed to have been entered into and stand assigned, vested and novated to NMW by operation of law and NMW shall be deemed to be HTM's substituted party or beneficiary or obligor thereto. It being always understood that NMW shall be the successor in the interest of HTM. In relation to the same, any procedural requirements required to be fulfilled solely by HTM, shall be fulfilled by NMW as if it were the duly constituted attorney of HTM.

16.2 NMW may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which HTM is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. NMW shall be deemed to be authorised to execute any such writings on behalf and in the name of HTM and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of HTM.

16.3 NMW shall be entitled to the benefit of all insurance policies which have been Issued in respect of HTM and the name of NMW shall be substituted as "Insured" in the policies as if NMW was initially a party thereto.

17. BOOKS AND RECORDS

All books, records, files, papers, of HTM, to the extent possible and permitted under Applicable Law, to be the books and records of NMW.

18. TAXES/ DUTIES / CESS ETC.

Upon the Scheme becoming effective, by operation of law pursuant to the order of the Tribunal:

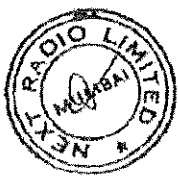



18.1 The provisions of this Scheme have been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the Income Tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later 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 shall prevail, and the Scheme shall stand



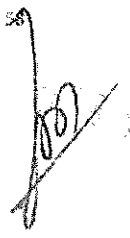
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modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification(s), will, however, not affect the other provisions of the Scheme.

- 18.2 NMW shall be entitled to: (a) claim deduction with respect to items such as provisions and expenses disallowed in earlier years in the hands of HTM, which may be allowable in accordance with the provisions of the Income Tax Act on or after the Effective Date; and (b) exclude items such as provisions and reversals for which no deduction or tax benefit has been claimed by HTM prior to the Effective Date.
- 18.3 The unutilized credits relating to excise duties paid on inputs lying to the account of HTM as well as the unutilized credits relating to service tax paid on input services consumed by HTM and any unutilized credit/ advance payment of sales tax/ VAT shall be transferred to NMW automatically without the requirement of any specific approval or permission as an integral part of the Scheme.
- 18.4 Income taxes of whatsoever nature including minimum alternate tax, advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, dividend distribution tax, wealth tax, if any, paid by HTM shall be treated as paid by NMW and it shall be entitled to claim the credit, refund (including refunds or claims pending with tax authorities), adjustment for the same as may be applicable.
- 18.5 If HTM is entitled to any benefits under incentive schemes and policies, all such benefits under all such incentive schemes and policies shall be and stand vested in NMW.
- 18.6 NMW is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, credit of dividend distribution tax, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc., etc. if any, as may be required for the purposes of/consequent to implementation of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.
- 18.7 Any tax liabilities under the Income Tax Act or other applicable tax laws or regulations allocable to HTM, whether or not provided for or covered by any tax provisions in the books of accounts of HTM made as on the date immediately preceding the Effective Date, shall be transferred to NMW. Any surplus in the provision for taxation or duties or levies in the books of accounts of HTM, including advance tax and tax deducted at source as on the close of business on the date immediately preceding the Effective Date will also be transferred to the accounts of NMW.
- 18.8 All tax assessment proceedings and appeals of whatsoever nature by or against HTM, pending or arising as at the Effective Date, shall be continued and / or enforced by or against NMW in the same manner and to the same extent as would or might have been continued and enforced by or against HTM. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of HTM with and into NMW or anything contained in the Scheme.
- 18.9 All the expenses incurred by HTM and NMW in relation to the amalgamation of HTM with and into NMW in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to NMW in accordance with section 35DD of the Income Tax Act over a period of five

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years beginning with the financial year in which this Scheme becomes effective.

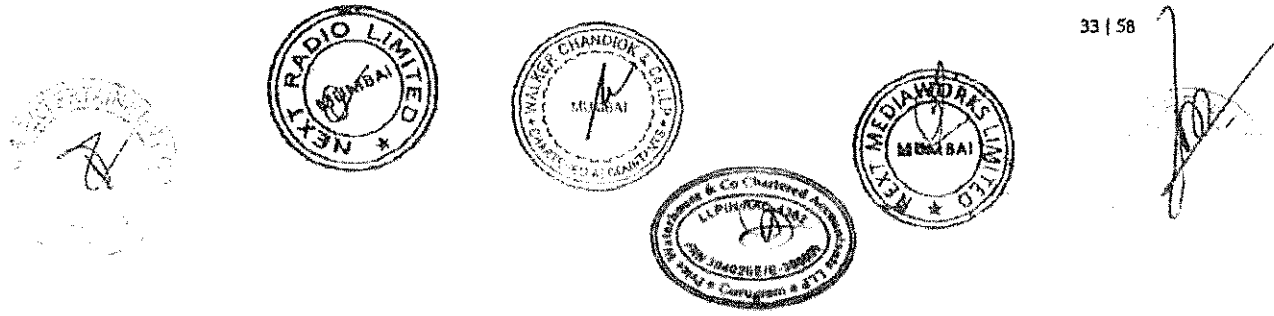
- 18.10 Upon the Scheme becoming effective, all taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of HTM, shall, for all purposes, be treated as taxes, cess, duties and liabilities, as the case may be, of NMW.
- 18.11 Upon the Scheme becoming effective, notwithstanding anything to the contrary contained herein, all accumulated tax losses, unabsorbed tax depreciation, MAT credit if any, of HTM as on the Effective Date, shall, for all purposes, be treated as accumulated tax losses and unabsorbed tax depreciation and MAT credit of NMW.
- 18.12 Obligation for deduction of tax at source on any payment made by or to be made by HTM shall be made or deemed to have been made and duly complied with by NMW

**19. CONSIDERATION**

19.1 Upon this Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, NMW shall, without any further application, act, deed payment, consent, acts, instrument or deed, issue and allot to each shareholder of HTM whose name is recorded in the register of members on the Record Date, in the following proportion:

*"125 (One Hundred and Twenty Five) fully paid up equity shares of INR 10 each of NMW shall be issued and allotted, credited as fully paid-up, for every 2,228 (Two Thousand Two Hundred and Twenty Eight) fully paid up equity shares of INR 1 each held in HTM"*

- 19.2 The equity shares of NMW, to be issued and allotted as provided in Clause 19.1 above shall be subject to the provisions of the memorandum of association and articles of association of NMW and shall rank pari passu in all respects with the existing equity shares of NMW, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits.
- 19.3 In case any shareholder's shareholding in HTM is such that such shareholder becomes entitled to a fraction of an equity share of any of NMW, as the case may be, the same shall be rounded off to the nearest whole number.
- 19.4 The issue and allotment of equity shares as provided in Clause 19.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of HTM or NMW or their shareholders and as if the procedure laid down under the provisions of the Act, as may be applicable, and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of HTM and/or NMW to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, pursuant to this Clause 19.
- 19.5 The equity shares issued pursuant to Clause 19.1 shall be in dematerialized form unless otherwise notified in writing by a shareholder of HTM to NMW on or before such date as may be determined by the Board of HTM. In the event that such notice has not been received by NMW in respect of any of the shareholders of HTM, the equity shares shall be issued to such shareholders in dematerialized form provided that the shareholders of HTM shall be required to have an account with a depository participant and shall be required to provide details thereof and such other



confirmations as may be required. In the event that NMW has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of NMW, then NMW shall issue the equity shares in physical form to such shareholder or shareholders.

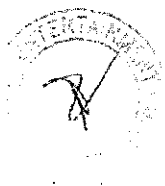
- 19.6 NMW shall apply for listing of its equity shares including those issued in terms of Clause 19.1 above on the Stock Exchanges in terms of and in compliance of the SEBI Circular. The equity shares allotted by NMW in terms of Clause 19.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.
- 19.7 NMW shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
20. **DISOLUTION OF HTM**
- 20.1 Upon this Scheme becoming effective, HTM shall stand dissolved without winding up. On and from the Effective Date, the name of HTM shall be struck off from the records of the concerned RoC and HTM shall make necessary filings in this regard.
- 20.2 Upon the coming into effect of this Scheme, the resolutions, if any, of HTM, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of NMW and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by NMW and shall constitute the aggregate of the said limits in NMW.

#### PART IV

#### DEMERGER AND VESTING OF THE NRL DEMERGED UNDERTAKING

##### 21. DEMERGER AND VESTING OF THE NRL DEMERGED UNDERTAKING

- 21.1 Upon the Scheme becoming effective, and with effect from the Appointed Date, subject to the provisions of the Scheme and pursuant to the provisions of Sections 230 to 232 and all other provisions of the Act, the NRL Demerged Undertaking will be demerged and transferred from NRL and be transferred and vested unto NMW, without any further act, deed or matter, on a going concern basis, such that the NRL Demerged Undertaking shall without any other order to this effect, become the properties, assets, rights, claims, title, interest, authorities, licenses, Permits, registrations, quotas, allocations, investments and liabilities of NMW simply by virtue of approval of this Scheme and in the manner provided in this Scheme and in accordance with the provisions of section 2(19AA) of the Income Tax Act.
- 21.2 Without prejudice to the generality of Clause 21.1 above and upon coming into effect of this Scheme, and with effect from the Appointed Date, the entire business and undertaking of the NRL Demerged Undertaking, including the properties, claims, title, interest, assets of whatsoever



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nature such as Permits relating to the NRL Demerged Undertaking and all other right, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and where-so-ever situated, be and shall stand transferred to and vested in NMW as a going concern pursuant to the provisions of Section 232 of the Act, and other applicable provisions, if any, of the Act and pursuant to the order of the Tribunal sanctioning this Scheme and without any further act or deed or instrument and subject to the manner contemplated in this Scheme.

- 21.3 In respect of such of the assets and properties forming part of the NRL Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by NRL upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of NMW. The order sanctioning the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting and as the context may provide, by physical or constructive delivery, or by endorsement and delivery or by mere operation of the order of the Tribunal sanctioning the Scheme, in accordance with the Act, as appropriate to the nature of the movable property vested. The title to such property shall be deemed to have been mutated and recognised as that of NMW.
- 21.4 Without prejudice to the aforesaid, the NRL Demerged Undertaking, including all immovable property, whether or not included in the books of NRL, whether freehold or leasehold (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) of the NRL Demerged Undertaking shall stand transferred to and be vested in NMW, without any act or deed to be done or executed by NRL and/ or NMW. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, NMW shall be entitled to exercise all rights and privileges and be liable to pay all Taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of NMW pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by NRL and/ or NMW. It is clarified that NMW shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/ or substitution. Notwithstanding anything contained in this Scheme, the immovable properties relating to the NRL Demerged Undertaking, whether owned or leased, for the purpose *inter alia* of payment of stamp duty, and vesting unto NMW and if the Board of NMW so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of NRL in respect of such immovable properties. The execution of such conveyance shall form an integral part of the Scheme.
- 21.5 Notwithstanding any provision to the contrary, until any property, asset, license, approval, permission, contract, agreement, owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status and rights and benefits arising therefrom are transferred, vested, recorded, effected and/ or perfected, in the records of the Appropriate Authority(ies), in favour of NMW, NMW is deemed to be authorized to carry on business in the name and style of NRL under the relevant agreement, deed, lease and/ or license, as the case may be, and enjoy the property, asset or the rights and benefits



arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement and NMW shall keep a record and/or account of such transactions. It is clarified that till entry is made in the records of the Appropriate Authority(ies), NRL will continue to hold the property and / or the asset, license, permission, approval as the case may be in trust on behalf of NMW.

21.6 In respect of assets other than those dealt with in Clauses 21.3 and 21.4 above and forming part of the NRL Demerged Undertaking, including but not limited to sundry debts, receivables, bills, credits, loans, advances and deposits if any, pertaining to the NRL Demerged Undertaking, whether recoverable in cash or in kind or for value to be received, the same shall stand transferred to and vested in NMW without any notice or other intimation to any Person in pursuance of the provisions of the Sections 230 to 232 of the Act, read with other relevant provisions of the Act to the end and intent that the right of NRL to recover or realise the same stands transferred to NMW.

21.7 The NRL shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred and vested in NMW and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes and NRL shall provide all necessary assistance required in this regard to NMW.

21.8 All debts, commercial papers, liabilities, duties and obligations raised, incurred and/or utilized (including any loan taken for repayment of such liabilities and contingent liabilities which arise out of the activities or operations of each of the NRL Demerged Undertaking) of NRL as on the Appointed Date and relating to the NRL Demerged Undertaking ("NRL Transferred Liabilities") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to NMW to the extent that they are outstanding as on the Appointed Date and shall become the debts, liabilities, loans, obligations and duties of NMW which shall meet, discharge and satisfy the same. The term "NRL Transferred Liabilities" shall include:

21.8.1 the liabilities which arise out of the activities or operations of the NRL Demerged Undertaking;

21.8.2 the specific loans or borrowings (including debentures raised, incurred and utilized solely for the activities or operations of the NRL Demerged Undertaking); and

21.8.3 in cases other than those referred to in Clauses 21.8.1 or 21.8.2 above, so much of the amounts of general or multipurpose borrowings, if any, of NRL, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bear to the total value of the assets of NRL immediately prior to the Appointed Date.

21.9 In so far as any Encumbrance in respect of NRL Transferred Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the NRL Demerged Undertaking which may have been encumbered in respect of the NRL Transferred Liabilities as transferred to NMW pursuant to this Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the NRL Remaining Undertaking are concerned, the Encumbrance, if any, over such assets relating to the NRL Transferred Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations



and Encumbrances relating to the same. Further, in so far as the assets comprised in the NRL Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to NMW pursuant to this Scheme and which shall continue with NRL, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

- 21.10 Without prejudice to the provisions of the foregoing Clauses of this Clause 21, and upon the effectiveness of Part IV of this Scheme, NRL and NMW shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the RoC to give formal effect to the relevant provisions of this Scheme.
- 21.11 Any claims due to NRL from its customers or otherwise and which have not been received by NRL as on the date immediately preceding the Appointed Date as the case may be, in relation to or in connection with the NRL Demerged Undertaking, shall also belong to and be received by NMW.
- 21.12 All commercial papers, debentures, bonds, other debt securities and other instruments of like nature (whether convertible into equity shares or not) including non-convertible debentures issued to/ held by NRL, in relation to or in connection with the NRL Demerged Undertaking, shall upon coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in NMW.
- 21.13 All debentures, bonds, other debt securities and other instruments of like nature (whether convertible into equity shares or not) including non-convertible debentures issued to/ held by NRL, in relation to or in connection with the NRL Demerged Undertaking, shall upon coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in NMW.
- 21.14 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, in relation to or in connection with the NRL Demerged Undertaking, NRL shall, if so required by NMW, issue notices in such form as NMW may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of NMW, as the person entitled thereto, to the end and intent that the right of the NRL to recover or realize the same, stands transferred to NMW and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 21.15 On and from the Effective Date, and thereafter, NMW shall be entitled to operate all bank accounts of NRL, in relation to or in connection with the NRL Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of NRL, in relation to or in connection with the NRL Demerged Undertaking, in the name of NMW in so far as may be necessary until the transfer of rights and obligations of the NRL Demerged Undertaking to NMW under this Scheme have been formally given effect to under such contracts and transactions. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that till such time that the name of the bank accounts of NRL, in relation to or in connection with the



NRL Demerged Undertaking, have been replaced with that of NMW, NMW shall be entitled to operate the bank accounts of NRL, in relation to or in connection with the NRL Demerged Undertaking, in the name of NRL in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of NRL, in relation to or in connection with the NRL Demerged Undertaking, after the Effective Date shall be accepted by the bankers of NMW and credited to the account of NMW, if presented by NMW. NMW shall be allowed to maintain bank accounts in the name of NRL for such time as may be determined to be necessary by NMW for presentation and deposition of cheques and pay orders that have been issued in the name of NRL, in relation to or in connection with the NRL Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against NRL, in relation to or in connection with the NRL Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of NRL shall be instituted, or as the case maybe, continued by or against NMW after this Scheme comes into effect.

21.16 NMW shall be entitled to the benefit of all insurance policies which have been issued in respect of NRL pertaining to the NRL Demerged Undertaking and the name of NMW shall be substituted as "Insured" in the policies as if NRL was initially a party thereto.

**22. PERMITS**

22.1 With effect from the Appointed Date, Permits relating to the NRL Demerged Undertaking shall be transferred to and vested in NMW and the concerned licensor and grantors of such Permits shall endorse where necessary, and record NMW on such Permits so as to empower and facilitate the approval and vesting of the NRL Demerged Undertaking in NMW and continuation of operations pertaining to the NRL Demerged Undertaking in NMW without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in NMW without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of NMW as if the same were originally given by, issued to or executed in favour of NMW and NMW shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to NMW.

22.2 The benefit of all Permits pertaining to the NRL Demerged Undertaking shall without any other order to this effect, transfer and vest into and become available to NMW pursuant to the sanction of this Scheme.

**23. CONTRACTS**

23.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments in relation to the NRL Demerged Undertaking, to which NRL is a party and which is subsisting or having effect on or immediately before the Appointed Date shall remain in full force and effect against or in favour of NMW and shall be binding on and be enforceable by and against NMW as fully and effectually as if NMW had at all material times been a party or beneficiary or oblige thereto. NMW will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.

23.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the NRL Demerged Undertaking occurs by virtue of this Scheme, NMW may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so



required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which NRL is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. With effect from the Appointed Date, NMW shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of NRL to carry out or perform all such formalities or compliances referred to above on the part of NRL.

23.3 Any inter-se contracts between NRL on the one hand and NMW on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.

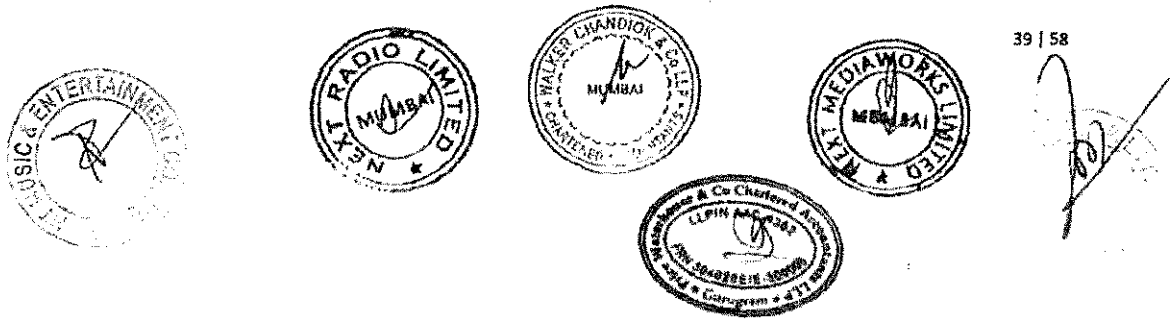
**24. EMPLOYEES**

24.1 All the employees as on Effective Date, pertaining to the NRL Demerged Undertaking, shall become employees of and be engaged by NMW, by operation of law, on terms and conditions, which, as a result, shall be no less favorable than those on which they are currently engaged by NRL, without any interruption of service as a result of transfer and vesting of NRL Demerged Undertaking.

24.2 All contributions made by NRL on behalf of its employees pertaining to the NRL Demerged Undertaking and all contributions made by the employees including the interests arising thereon, to the funds and standing to the credit of such employees' account with such funds as on Effective Date, shall be transferred to the funds maintained by the NMW along with such of the investments made by such funds which are referable and allocable to the employees of the NRL Demerged Undertaking of NRL and NMW shall stand substituted for NRL with regard to the obligation to make the said contributions.

24.3 With regard to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees pertaining to the NRL Demerged Undertaking as on the Effective Date, shall be continued on the same terms and conditions by NMW and NMW shall stand substituted for NRL for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Laws or otherwise. Further, the employees of NRL entitled to the benefit of superannuation and gratuity fund from NRL as on Effective Date, shall continue to be entitled to the same from NMW. It is the intent that all the rights, duties, powers and obligations of NRL in relation to such fund or funds shall become those of NMW without need of any fresh approval from any Appropriate Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees by NMW and the services of all such employees of NRL for such purpose shall be treated as having been continuous. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of NRL.

24.4 Services of all employees of NRL, pertaining to the NRL Demerged Undertaking prior to the transfer, shall be taken into account by the NMW for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other



retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in NRL. NMW undertakes to pay the same, as and when payable under Applicable Laws.

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

24.6 The contributions made by NRL under Applicable Law in connection with the employees of the NRL Demerged Undertaking of NRL, to the funds, for the period after the Appointed Date (if any) shall be deemed to be contributions made by NMW.

24.7 NMW shall continue to abide by any agreement/ settlement, if any, entered into or deemed to have been entered into by NRL with any employee / union of NRL who are engaged in or in relation to the NRL Demerged Undertaking.

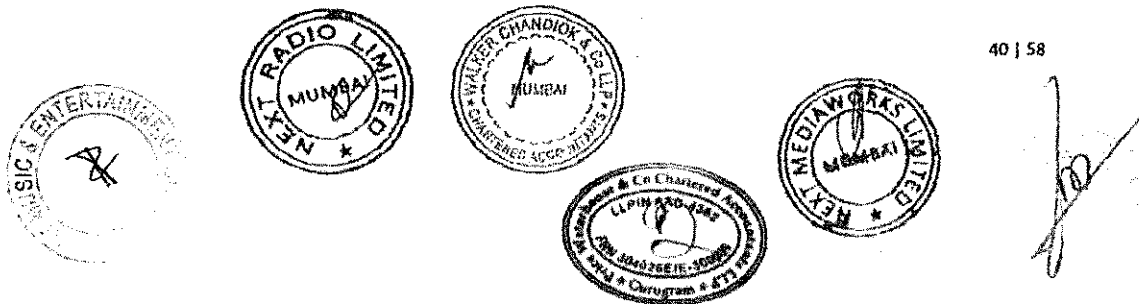
25. LEGAL PROCEEDINGS

25.1 Any suits, appeals or other proceedings of whatsoever nature and pending in any court, tribunal or any other forum, relating to the NRL Demerged Undertaking, whether by or against NRL, shall not abate or determine or be discontinued or in any way be prejudicially affected by reason of the transfer and vesting of the NRL Demerged Undertaking into NMW or of any order of or direction passed or issued in such proceedings or anything contained in this Scheme, but such legal proceedings shall continue and any prosecution shall be enforced by or against NMW in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against NRL, as if Part IV of the Scheme had not been implemented.

25.2 All suits, claims, actions and legal proceedings initiated by or against NRL, pertaining to NRL Demerged Undertaking shall stand transferred to NMW and the same shall be continued, prosecuted and enforced by or against NMW upon the coming into effect of this Scheme. Upon the coming into effect of this Scheme, NMW: (a) shall be replaced/ added as party to such proceedings relating to the NRL Demerged Undertaking; and (b) shall prosecute or defend such proceedings at its own cost and the liability of NRL shall consequently stand nullified.

26. TREATMENT OF TAX

26.1 The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income Tax Act. 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 shall prevail, and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act. Such modification(s), will, however, not affect the other provisions of the Scheme.





- 26.2 NMW will be the successor of NRL vis-à-vis the NRL Demerged Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the NRL Demerged Undertaking and the obligations, if any, for payment of taxes on any assets of the NRL Demerged Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by NMW, or as the case may be deemed to be the obligation of NMW.
- 26.3 With effect from the Appointed Date, all taxes, duties, cess, receivables/ payables by NRL relating to the NRL Demerged Undertaking including all or any refunds/ credits/ claims/ tax losses/ unabsorbed depreciation relating thereto shall be treated as the assets/ liability or refund/ credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of NMW.
- 26.4 In so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by NRL, in relation to or in connection with the NRL Demerged Undertaking, are concerned as on the Appointed Date, including the benefit of brought forward losses, unabsorbed depreciation, income-tax deductions, recognitions and exemptions under applicable provisions of the Income Tax Act, the same shall, without any further act or deed, vest with and be available to NMW on the same terms and conditions on and from the Effective Date.
- 26.5 NRL and NMW are expressly permitted to revise their tax returns including tax deducted at source ("TDS") certificates/ returns and to claim refund, advance tax, credits, excise and other indirect tax credits, set off etc. on the basis of the accounts of the NRL Demerged Undertaking as vested with NMW upon coming into effect of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.
- 26.6 Any refund, under the Income Tax Act, Goods & Service Tax 2017, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to NRL Demerged Undertaking of NRL consequent to the assessment made on NRL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by NMW upon this Scheme becoming effective.
- 26.7 The tax payments (including, without limitation income tax, Goods & Service Tax 2017, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by NRL with respect to the NRL Demerged Undertaking after the Appointed Date (if any), shall be deemed to be paid by NMW and shall, in all proceedings, be dealt with accordingly.
- 26.8 Any tax liabilities under the Goods and Services Tax Act 2017, Customs Act, 1962, Central Excise Act, 1944 or any other applicable Tax Laws to the extent not provided for or covered by any tax provision in NRL accounts, in relation to or in connection with the NRL Demerged Undertaking, made as on the date immediately preceding the Appointed Date shall be transferred to NMW. Any surplus in the provision for taxation/ duties/ levies account as on the date immediately preceding the Appointed Date in relation to the NRL Demerged Undertaking will also be transferred to the account of and belong to NMW.
- 26.9 Obligation for deduction of tax at source on any payment made by or to be made by NRL shall be made or deemed to have been made and duly complied with by NMW.



- 26.10 Upon the Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits; including in respect of income tax, Goods and Service Tax, Cenvat, Customs, VAT, Sales Tax, Service Tax etc. relating to the NRL Demerged Undertaking to which NRL is entitled to shall be available to and vest in NMW, without any further act or deed.
- 26.11 All the expenses incurred by NRL and NMW in relation to the demerger of the NRL Demerged Undertaking in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the respective companies in accordance with section 35DD of the Income Tax Act over a period of five-years beginning with the financial year in which this Scheme becomes effective.
- 26.12 Without prejudice to the generality of the above, all benefits including under Tax Laws, to which NRL, in relation to or in connection with the NRL Demerged Undertaking, is entitled to in terms of the applicable Tax Laws, including, but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/ entity, shall be available to, and vest in, NMW.

**27. BOOKS AND RECORDS**

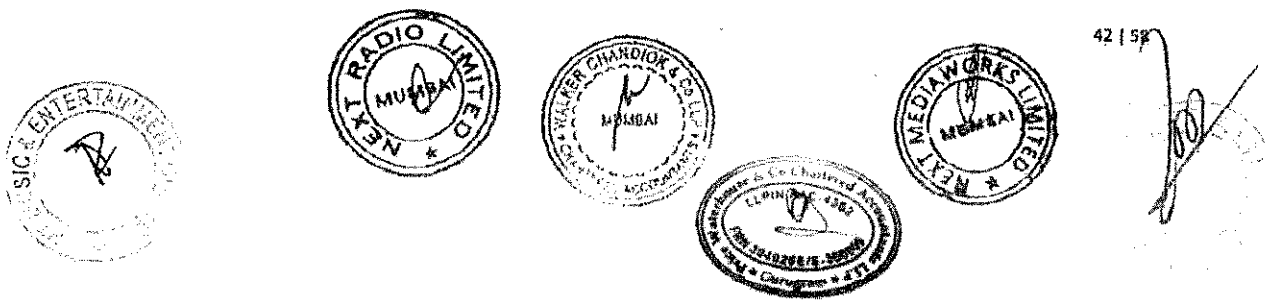
All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, pertaining to the NRL Demerged Undertaking of NRL, to the extent possible and permitted under Applicable Laws, be handed over by NRL to NMW.

**28. CONSIDERATION**

- 28.1 Upon this Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, NMW shall, without any further application, act, deed payment, consent, acts, instrument or deed, issue and allot to each shareholder of NRL whose name is recorded in the register of members on the Record Date, in the following proportion:

*"1,713 (One Thousand Seven Hundred and Thirteen) fully paid up equity shares of INR 10 each of NMW shall be issued and allotted, credited as fully paid-up, for every 1,000 (One Thousand) equity share of face value of INR 10 (Rupees Ten) each fully paid up held in NRL"*

- 28.2 No shares shall be issued by NMW in respect of the shares held by NMW in NRL.
- 28.3 The equity shares of NMW, as the case may be, to be issued and allotted as provided in Clause 28.1 above shall be subject to the provisions of the memorandum of association and articles of association of NMW, as the case may be, and shall rank pari passu in all respects with the existing equity shares of NMW, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits.
- 28.4 In case any shareholder's shareholding in NRL is such that such shareholder becomes entitled to a fraction of an equity share of NMW, NMW shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to a trustee nominated by the Board of NMW in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall



pay to NMW, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon NMW shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of NRL in proportion to their respective fractional entitlements so sold by the trustee.

- 28.5 The issue and allotment of equity shares as provided in Clause 28.1 is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of NMW or NRL or their shareholders and as if the procedure laid down under the provisions of the Act, as may be applicable, and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors, to the extent applicable, of NMW and/ or NRL to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, pursuant to this Clause 28.
- 28.6 The equity shares issued pursuant to Clause 28.1 above shall be in dematerialized form unless otherwise notified in writing by a shareholder of NRL to NMW on or before such date as may be determined by the Board of NRL. In the event such a notice has not been received by NMW in respect of any of the shareholders of NRL, the equity shares shall be issued to such shareholders in dematerialized form provided that the shareholders of NRL shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that if NMW has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of NMW, then NMW shall issue the equity shares in physical form to such shareholder or shareholders.
- 28.7 NMW shall apply for listing of their equity shares including those issued in terms of Clause 28.1 above on the Stock Exchanges in terms of and in compliance of the SEBI Circular. The equity shares allotted by NMW in terms of Clause 28.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.
- 28.8 NMW shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 28.9 In the event that the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio as mentioned in Clause 28.1, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 28.10 The new equity shares to be issued by NMW, pursuant to Clause 28.1 above, in respect of any equity shares of NRL, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by NMW.
- 28.11 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of NRL, the Board of Directors of NRL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in NRL as if such changes in the registered holder were operative as on the Record Date and to remove any difficulties



arising thereto.

28.12 NMW shall, if and to the extent required to, apply for and/or intimate and/or obtain any approvals from the concerned regulatory authorities for issue and allotment of shares pursuant to the Scheme including the provisions of Foreign Exchange Management Act, 1999, if any, for issue and allotment of new equity shares to the non-resident equity shareholders of NRL, if any

**29. NRL REMAINING BUSINESS**

29.1 The NRL Remaining Business and all the assets, investments, liabilities and obligations of NRL, pertaining to NRL Remaining Business, shall continue to belong to and be vested in and be managed by NRL.

29.2 All legal, taxation and/ or other proceedings by or against NRL under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the NRL Remaining Business of NRL (including those relating to any property, right, power, liability, obligation or duties of NRL in respect of the NRL Remaining Business) shall be continued and enforced against NRL.

29.3 If proceedings are taken against NMW in respect of matters referred to in Clause 29.2 above relating to the NRL Remaining Business, it shall defend the same in accordance with the advice of the relevant NRL and at the cost of NRL, and the latter shall reimburse and indemnify NMW, against all liabilities and obligations incurred by NMW in respect thereof.

29.4 If proceedings are taken against NRL in respect of matters referred to in Clause 29.2 above relating to the NRL Demerged Undertaking, it shall defend the same in accordance with the advice of the relevant NMW and at the cost of the said NMW, and the latter shall reimburse and indemnify NRL, against all liabilities and obligations incurred by NRL in respect thereof.

**PART V**

**REDUCTION OF ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL OF NRL**

**30. REDUCTION OF ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL OF NRL**

30.1 Upon the Scheme becoming effective, 3,89,32,286 (Three crores eighty nine lakhs, thirty two thousand two hundred and eighty-six ) equity shares of face value of INR 10/- (Rupees Ten) each, held by NMW in NRL ("NRL Cancelled Shares") shall, without any application, act, instrument or deed shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid up equity capital of NRL to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of NRL, pursuant to Section 66 of the Act as also any other applicable provisions of the Act.

30.2 The aforesaid reduction of the share capital of NRL shall be effected by returning to NMW, an amount of INR 0.32 per equity share.

30.3 On effecting the reduction of the share capital as stated in Clause 30.1 above, the share certificates in respect of the NRL Cancelled Shares shall also be deemed to have been cancelled.

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- 30.4 The aforesaid reduction of the share capital of NRL shall be effected as an integral part of this Scheme itself, without having to follow the process under Sections 66 of the Act separately and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction. Since the said reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, no provisions of Section 66 of Act shall be applicable/required to be complied in respect of such reduction of share capital.
- 30.5 It is hereby clarified that for the purposes of Clauses 30.1 above, the consent of the shareholders, and creditors, to the extent applicable, of NRL to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction of the issued, subscribed and paid up equity share capital of NRL, and no further resolution and/or action under any other provisions of the Act, would be required to be separately passed or taken.
- 30.6 Notwithstanding the reduction of share capital of the NRL in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.

#### PART VI

#### REORGANIZATION OF THE SHARE CAPITAL OF NRL AND NMW

##### 31. REORGANIZATION & COMBINATION OF AUTHORISED CAPITAL

- 31.1 Upon the Scheme becoming effective, ten equity shares of face value of INR 1/- (Rupees One only) each in the authorised equity share capital of HTM shall stand converted into one equity share of face value of INR 10/- (Rupees Ten only) each by simply filing the requisite forms and no separate procedure shall be required to be followed or no separate fees required to be paid under the applicable provisions of the Act. The authorised share capital of HTM shall consequently comprise of INR 3,36,00,00,000 (Rupees Three hundred and thirty six crores) divided into 33,60,00,000 (Thirty three crores sixty lakh) equity shares of INR 10 (Rupees Ten) each.
- 31.2 Upon the Scheme becoming effective, the authorised share capital of HTM will get amalgamated with that of NMW without payment of any additional fees and duties as the said fees have already been paid. Further, in consideration of the demerger of the Demerged Undertakings and the transfer and vesting thereof into NMW, NMW shall issue and allot its fully paid up equity shares to the equity shareholders of NRL and HTML, as on the Record Date in terms of the Scheme. The authorized equity share capital of the NMW is required to be adequately enhanced to accommodate the increase in the paid-up equity share capital of NMW on account of issue and allotment of fully paid up equity shares of NMW to the equity shareholder of NRL and HTM as on the Record Date. Therefore, as an integral part of the Scheme and upon the Scheme becoming effective,
- 31.2.1 the entire authorised share capital of HTM amounting to INR 3,36,00,00,000 (Rupees Three hundred and thirty six crores) divided into 33,60,00,000 (Thirty three crores sixty lakh) equity shares of INR 10 (Rupees Ten) each, shall stand merged with the authorised share capital of NMW.



31.2.2 an amount of INR 38,93,22,860 /-(Rupees Thirty eight crores, ninety three lakhs, twenty two thousand, eight hundred and sixty) shall stand transferred from the authorized share capital of NRL to the authorized share capital of NMW

and upon merger of authorised share capital of INR 3,36,00,00,000 (Rupees Three hundred and thirty six crores) of HTM and transfer of aforesaid authorized share capital of INR 38,93,22,860 /-(Rupees Thirty eight crores, ninety three lakhs, twenty two thousand, eight hundred and sixty) from the authorized share capital of NRL to the authorized share capital of NMW, the authorized share capital of the NMW as set out in Clause 2.4 of the Scheme hereinabove shall stand enhanced to INR 4,54,93,22,860 /-(Rupees Four hundred and fifty four crores, ninety three lakhs, twenty two thousand eight hundred and sixty) divided into 45,49,32,286 (forty five crores forty nine lakhs, thirty two thousand two hundred and eighty six) equity shares of face value of INR 10/- (Rupees ten) each, without any further act, instrument or, deed by NMW and without any liability for payment of additional fee or stamp duty in respect of such increase as the stamp duty and fee has already been paid by HTM and NRL, as the case may be, on such authorized equity share capital, the benefit of which stands vested in NMW pursuant to Scheme becoming effective.

31.3 Subsequent to enhancement of authorized share capital of NMW as contemplated herein, existing clause V of the Memorandum of Association of NMW (pertaining to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Act and Section 232 and other applicable provisions of the Act as the case may be and be replaced by the following clause:

*"The Authorised Share Capital of the Company is INR 4,54,93,22,860 /-(Rupees Four hundred and fifty four crores, ninety three lakhs, twenty two thousand eight hundred and sixty only) divided into 45,49,32,286 (forty five crores forty nine lakhs, thirty two thousand two hundred and eighty six) equity shares of face value of Rs 10/-(Rupees ten) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force"*

31.4 Further, pursuant to transfer of aforesaid authorized share capital of INR 38,93,22,860 /-(Rupees Thirty eight crores, ninety three lakhs, twenty two thousand, eight hundred and sixty) divided into 3,89,32,286 equity shares of Rs 10 each from the authorized share capital of NRL to the authorized share capital of NMW, the authorized share capital of the NRL as set out in Clause 2.3 of the Scheme hereinabove shall stand at INR 1,75,76,77,140/- (Rupees one hundred seventy five crores, seventy six lakhs, seventy seven thousand, one hundred and forty ) divided into 14,99,97,714 (fourteen crore, ninety nine lakh, ninety seven thousand seven hundred and fourteen) equity shares of face value of Rs 10/-(Rupees ten) each and 2,57,70,000 (Two crore, fifty seven lacs and seventy thousand) preference shares of Rs 10/- (Rupees ten) each pursuant to Scheme becoming effective.

31.5 Subsequent to transfer of authorized share capital from NRL as contemplated herein, existing clause V of the Memorandum of Association of NRL (pertaining to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended



pursuant to Sections 13 and 61 of the Act and Section 232 and other applicable provisions of the Act as the case may be and be replaced by the following clause:

*"The Authorised Share Capital of the Company is INR 1,75,76,77,140/- (Rupees one hundred seventy five crores, seventy six lakhs, seventy seven thousand, one hundred and forty ) divided into 14,99,97,714 (fourteen crore, ninety nine lakh, ninety seven thousand seven hundred and fourteen) equity shares of face value of Rs 10/- (Rupees ten) each and 2,57,70,000 (Two crore, fifty seven lacs and seventy thousand) preference shares of Rs 10/- (Rupees ten) with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."*

- 31.6 It is hereby clarified that for the purposes of this Clause 31, the consent of the shareholders of HTM, NRL and NMW to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase, as the case may be in the authorized share capital of HTM, NRL and NMW, and no further resolutions or actions under Sections 13/61 of the Act or any other applicable provisions of the Act would be required to be separately passed or taken. However, NMW shall file the requisite documentation with the relevant RoC, which has jurisdiction over the NMW, for the increase of the authorised share capital of NMW as aforesaid.
- 31.7 It is clarified that the approval of the members of HTM, NRL and NMW to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of HTM, NRL and NMW and HTM, NRL and NMW shall not be required to seek separate consent / approval of its shareholders for the alteration of their respective Memorandum and Articles of Association as required under Sections 13, 14, 61 and 64 of the Act and other applicable provisions of Act.

## PART VII

### ACCOUNTING TREATMENT FOR THE SCHEME

#### 32. ACCOUNTING TREATMENT IN THE BOOKS OF NRL

##### 32.1 Demerger of the NRL Demerged Undertaking

32.1.1 Upon the scheme becoming effective, NRL shall account for demerger of NRL Demerged Undertaking in its books of account as per the applicable accounting principles as prescribed under Indian Accounting Standard (IND AS) prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time.

- (a) Pursuant to Appendix A of IND AS 10, the fair value of NRL Demerged Undertaking to be transferred to NMW shall be accounted for as distribution of non-cash assets to shareholders of NRL.
- (b) All the assets and liabilities of NRL Demerged Undertaking shall be de-recognised



at their respective carrying amount.

- (c) The difference between the fair value of the NRL Demerged Undertaking in Clause 32.1.1 (a) and the net carrying value of the assets and liabilities in Clause 32.1.1 (b) shall be adjusted in the statement of Profit or Loss.

**32.2 Accounting pursuant to the Capital Reduction of NRL**

32.2.1 Upon the capital reduction of NRL becoming effective, the paid up equity share capital of the NRL shall stand reduced to INR 36,80,80,010 (Thirty six crores eighty lakhs, eight thousand and ten rupees) divided into 3,68,08,001 (Three crores, sixty eight lakhs, eight thousand and one) equity shares of INR 10/- each. Further, the difference between the value of equity share capital extinguished over the value paid to shareholder as mentioned in Clause 30.1 shall be credited to the Capital Reserve account in NRL.

32.3 If considered appropriate for compliance with Accounting Standards, NRL may make suitable adjustment to the accounting treatment and adjust the effect thereof in the manner determined by the Board of Directors of NRL.

**33. ACCOUNTING TREATMENT IN THE BOOKS OF HTML**

**33.1 Demerger of the HTML Demerged Undertaking**

33.1.1 On effectiveness of the Scheme, HTML shall give effect to the demerger in its separate financial statements in accordance with accounting principles prescribed under IND AS as notified under Section 133 of the Companies Act, 2013 and on the date determined in accordance with IND AS, as under:

- (a) All the assets and the liabilities of the HTML Demerged Undertaking shall be de-recognised at their respective carrying amount.
- (b) The difference between the carrying amount of assets and liabilities shall be adjusted against the Equity, to the extent required.

**33.2 Merger of the HTM with NMW and receipt of shares of NMW**

33.2.1 HTML shall receive the shares in NMW pursuant to merger of HTM in NMW. The same shall be accounted in HTML at fair value.

33.2.2 The difference between the carrying amount of shares in HTM and value of shares in NMW (as recorded under Clause 33.2.1) shall be transferred to statement of Profit or Loss.

33.3 If considered appropriate for compliance with Accounting Standards, HTML may make suitable adjustment to the accounting treatment and adjust the effect thereof in the manner determined by the Board of Directors of HTML.

**34. ACCOUNTING TREATMENT IN THE BOOKS OF NMW**





Upon the Scheme becoming effective, NMW shall give effect to the accounting treatment in its books of accounts in accordance with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Effective Date.

**35. ACCOUNTING TREATMENT IN THE BOOKS OF HTM**

On the Scheme becoming effective, the transferor Company will dissolve without winding up and no specific accounting is prescribed in the Indian Accounting standards specified under Section 133 of the Companies Act 2013 for such transfer.



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PART VIII

GENERAL TERMS & CONDITIONS

36. DIVIDENDS

36.1 Subject to prior written consent of HTML, NMW and NRL shall be entitled to declare and pay dividends, to their respective shareholders in the ordinary course of business, whether interim or final. Subject to prior written consent of NMW, HTML shall be entitled to declare and pay dividends, to their respective shareholders in the ordinary course of business, whether interim or final. HTML shall be entitled to declare and pay dividends, to their respective shareholders in the ordinary course of business, whether interim or final.

36.2 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 NRL and / or HTML and / or HTML and / or NMW to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, subject to provisions of Clause 36.1, shall be entirely at the discretion of the Board of NRL and / or HTML and / or HTML and / or NMW and subject to approval, if required, of the shareholders of NRL and / or HTML and / or HTML and / or NMW, as the case may be.

37. FACILITATION PROVISIONS

37.1 Immediately upon the Scheme being effective, the Parties shall enter into shared services agreements as may be necessary, *inter alia* in relation to use by the Parties of office space, infrastructure facilities, information technology services, security personnel, legal, administrative and other services, etc. of each of the Parties on such terms and conditions that may be agreed between the Parties and on payment of consideration on an arm's length basis and which are in the ordinary course of business.

37.2 It is clarified that approval of the Scheme by the shareholders of the Demerged Companies, HTML and NMW under sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and Regulation 23 and Regulations 31A and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that no separate approval of the of the Board or audit committee or shareholders shall be required to be sought by the Parties.

37.3 It is clarified that all guarantees provided by the Demerged Companies in respect of the Demerged Undertakings and HTML shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by NMW.

38. BUSINESS UNTIL EFFECTIVE DATE

38.1 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:

38.1.1 The Demerged Companies with respect to the Demerged Undertakings shall carry on the business with reasonable diligence and business prudence and in the same manner as the Demerged Companies had been doing hitherto and shall not undertake any additional



financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets with respect to the Demerged Undertakings, except in case:

- (a) such action is expressly provided in this Scheme; or
- (b) such action is in the ordinary course of business; or
- (c) written consent of NMW has been obtained in relation to such action.

38.1.2 The Demerged Companies with respect to Demerged Undertakings shall not alter or substantially expand their business or undertake:

- (a) any material decision in relation to their business and affairs and operations other than that in the ordinary course of business;
- (b) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and
- (c) any new business or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business, except with the written consent of NMW, as the case may be.

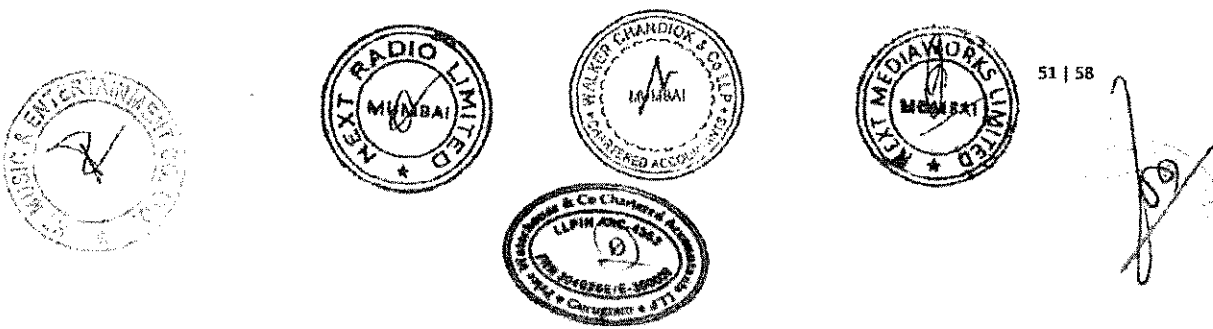
38.1.3 The Demerged Companies in relation to the Demerged Undertakings, shall not:

- (a) except in the ordinary course of business, waive, defer or release any rights that the Demerged Companies may have against any Person or any obligations that a Person may have towards the Demerged Companies; and
- (b) commence or settle any litigation, dispute or claim which involves any amount in excess of INR 10,00,000 (Indian Rupees Ten lakhs) or admit any liability in any litigation, dispute or claim where such liability corresponds to any amount in excess of INR 10,00,000 (Indian Rupees Ten lakhs).

38.1.4 The Demerged Companies with respect to the Demerged Undertakings shall not vary the terms and conditions of employment of any of their employees without the written consent of NMW, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the respective Demerged Companies; and

38.1.5 NMW shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which NMW may require to carry on the business of the Demerged Undertakings and to give effect to the Scheme.

38.2 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:



38.2.1 HTM shall carry on the business with reasonable diligence and business prudence and in the same manner as HTM had been doing hitherto and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except in case:

- (a) such action is expressly provided in this Scheme; or
- (b) such action is in the ordinary course of business; or
- (c) written consent of NMW has been obtained in relation to such action.

38.2.2 HTM shall not alter or substantially expand its business or undertake:

- (a) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business;
- (b) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and
- (c) any new business, or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business, except with the written consent of NMW.

38.2.3 HTM shall not:

- (a) except in the ordinary course of business, waive, defer or release any rights that HTM may have against any Person or any obligations that a Person may have towards HTM; and
- (b) commence or settle any litigation, dispute or claim which involves any amount in excess of INR 10,00,000 (Indian Rupees Ten lakhs) or admit any liability in any litigation, dispute or claim where such liability corresponds to any amount in excess of INR 10,00,000 (Indian Rupees Ten lakhs).

38.2.4 HTM shall not vary the terms and conditions of employment of any of their employees without the written consent of NMW, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by HTM; and

38.2.5 NMW shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which NMW may require to carry on its business and to give effect to the Scheme.

38.3 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:



38.3.1 NMW shall carry on the business with reasonable diligence and business prudence and in the same manner as NMW had been doing hitherto and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except in case:

- (a) such action is expressly provided in this Scheme; or
- (b) such action is in the ordinary course of business; or
- (c) written consent of HTML has been obtained in relation to such action.

38.3.2 NMW shall not alter or substantially expand its business or undertake:

- (a) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business;
- (b) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and
- (c) any new business, or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business, except with the written consent of HTML.

38.3.3 NMW shall not:

- (a) except in the ordinary course of business, waive, defer or release any rights that NMW may have against any Person or any obligations that a Person may have towards NMW; and
- (b) commence or settle any litigation, dispute or claim which involves any amount in excess of INR 10,00,000 (Indian Rupees Ten lakhs) or admit any liability in any litigation, dispute or claim where such liability corresponds to any amount in excess of INR 10,00,000 (Indian Rupees Ten lakhs).

38.3.4 NMW shall not vary the terms and conditions of employment of any of their employees without the written consent of HTML, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by NMW

38.4 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, NMW shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertakings and the amalgamation of HTML, in accordance with the provisions of Sections 230 to 232 of the Act.

38.5 NMW shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any



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formalities or compliances as are necessary for the implementation of this Scheme.

38.6 For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, NMW shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations in relation to or applicable to all immovable properties including mutation and/or substitution of the ownership or the title to or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of NMW, as the case may be, pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by NMW. It is clarified that NMW shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

39. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertakings / HTM are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of NMW, NMW is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Demerged Companies / HTM and NMW, the Demerged Companies / HTM will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of NMW.

40. CHANGE IN CONTROL AND RECLASSIFICATION OF PROMOTERS OF NMW

- 40.1 Upon the Scheme coming into effect, HTML shall exercise Control over NMW and the existing promoters ("Outgoing Promoter") of NMW shall cease to, directly or indirectly, exercise Control, over the affairs of NMW.
- 40.2 Upon the Scheme coming into effect, the existing promoters of NMW will be re-classified from the category of 'promoters' to 'public', without any further act, instrument, deed, matter or thing so as to become, from the Effective Date, public shareholders of NMW.
- 40.3 Increase in the level of public shareholding pursuant to re-classification of Outgoing Promoter shall not be counted towards achieving compliance with minimum public shareholding requirement under rule 19A of the Securities Contracts (Regulation) Rules, 1957, and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Outgoing Promoter shall not continue to have any special rights through formal or informal arrangements. All shareholding agreements granting special rights to Outgoing Promoter shall be terminated, upon the Scheme becoming effective. Upon the Scheme coming into effect, Outgoing Promoters and their relatives shall not act as key managerial person of NMW for a period of more than three years from the Effective Date.



40.4 The reclassification of existing promoters of NMW as public shareholders of NMW shall be effected as an integral part of this Scheme itself, without having to follow the process under regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 separately and the approval of SEBI to the Scheme alongwith the order of the Tribunal sanctioning this Scheme shall be deemed to be an approval of reclassification of existing promoters of NMW as public shareholders of NMW.

40.5 It is hereby clarified that for the purposes of Clauses 40.2 above, the consent of the shareholders, including existing promoters of NMW to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reclassification of promoters as public shareholders of NMW, and no further resolution and/or action under any other provisions of the Act, would be required to be separately passed or taken.

**41. APPLICATIONS/PETITIONS TO THE TRIBUNAL**

41.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law and shall apply for such approvals as may be required under Applicable Law.

41.2 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 Demerged Companies / HTM and NMW may require to own the assets and/or liabilities of the Demerged Undertakings / HTM and to carry on the business of the Demerged Undertakings / HTM.

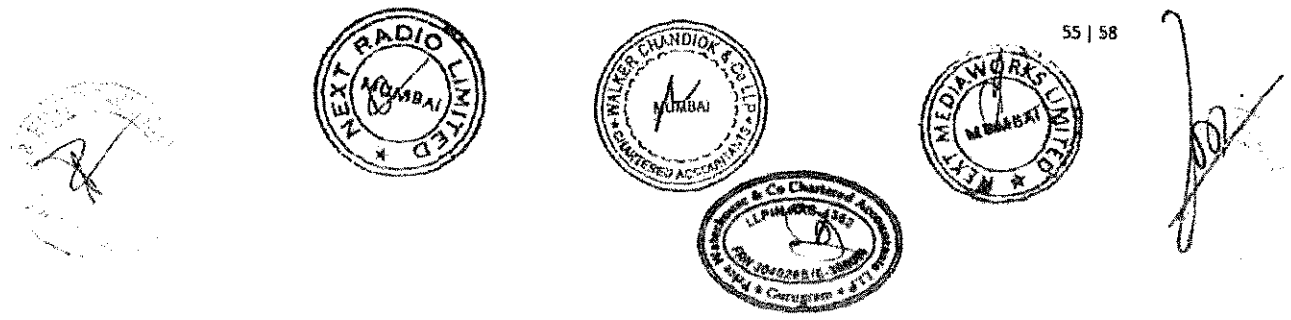
**42. MODIFICATION OR AMENDMENTS TO THIS SCHEME**

42.1 On behalf of each of the Demerged Companies, HTM and NMW, the Board of the respective companies acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e., the Boards of the Demerged Companies, HTM and NMW) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

42.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Boards of the Demerged Companies, HTM and NMW acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

**43. CONDITIONS PRECEDENT**

43.1 Unless otherwise decided (or waived) by the relevant Parties, as may be permissible' the Scheme is conditional upon and subject to the following conditions precedent:



- 43.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- 43.1.2 approval of the Scheme by the requisite majority of each class of shareholders of the Demerged Companies, HTM and NMW and such other classes of persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;
- 43.1.3 the Parties, as the case may be, complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of HTML and NMW through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders of HTML and NMW in favour of the proposal contemplated herein are more than the number of votes cast by the public shareholders of HTML and NMW, as the case may be, against the proposal contemplated herein, as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;
- 43.1.4 the sanctions and orders of the Tribunals, under Sections 230 to 232 of the Act being obtained by the Demerged Companies, HTM and NMW;
- 43.1.5 the approval of the Scheme by MIB in relation to transfer of the Demerged Undertakings and the amalgamation of HTM with NMW.
- 43.1.6 the requisite consent, approval or permission, if required, from MIB or any other statutory or regulatory authority under foreign direct investment regulations, which by law may be necessary for issue of shares by NMW to the foreign shareholders of HTML and/or for the implementation of this Scheme;
- 43.2 It is hereby clarified that submission of this Scheme to the Tribunals and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the Demerged Companies, HTM and NMW may have under or pursuant to all Applicable Laws.
- 43.3 On the approval of this Scheme by the shareholders of the Demerged Companies, HTM and NMW and such other classes of Persons of the said companies, if any, pursuant to Clause 43, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger set out in this Scheme, related matters and this Scheme itself.
- 44. EFFECTIVE DATE**
- 44.1 Subject to fulfilment of the conditions set forth in Clause 43 above, this Scheme shall become effective on the date (not being a date earlier than 4 April 2019) on which all the conditions precedent as mentioned in Clause 43 are fulfilled or otherwise waived off ("Effective Date").
- 44.2 For the avoidance of doubt, it is clarified that:
- 44.2.1 in case the Demerged Companies, HTM and NMW fulfill the conditions set forth in Clause





43 above on different dates, then the date on which such conditions set forth in Clause 43 above are last satisfied by each of Demerged Companies, HTM and NMW shall be deemed to be the Effective Date.

44.2.2 in case the Demerged Companies, HTM and NMW fulfill the conditions set forth in Clause 43 above prior to 4 April 2019, the Scheme shall become effective on 4 April 2019.

44.3 Reference in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.

**45. NON-RECEIPT OF APPROVALS AND REVOCATION/WITHDRAWAL OF THIS SCHEME**

45.1 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, the Demerged Companies, HTM and NMW acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme for any reasons whatsoever.

45.2 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, the Demerged Companies, HTM and / or NMW acting through their respective Boards shall each be at liberty to withdraw from this Scheme in case the Demerged Companies, HTM and / or NMW are declared insolvent.

45.3 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 15 (fifteen) months from the last of the date of approval of the Scheme by Board of the Parties or within such extended period as may be mutually agreed upon between the Demerged Companies, HTM and NMW through their respective Boards or their authorised representative, this Scheme shall become null and void, and each Party shall bear and pay its respective costs, charges and expenses for and/or incurred in connection with this Scheme.

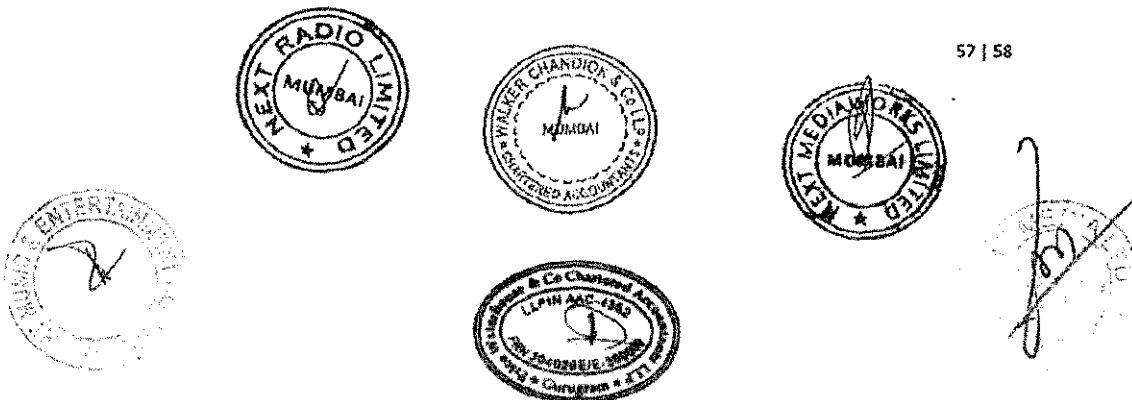
45.4 In the event of revocation/withdrawal under Clause 45.1, 45.2 or 45.3 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Companies, HTM and / or NMW or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

**46. COSTS, EXPENSES AND TAXES**

46.1 Parties have agreed to bear the costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme in the following manner:

46.1.1 NMW shall bear the stamp duty costs in connection with the Scheme; and

46.1.2 all other costs, charges and expenses (including, but not limited to, any taxes and



duties, registration charges, etc.) in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne by the respective Parties.

46.1.3 All the expenses incurred by Demerged Companies and NMW in relation to this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Demerged Companies and NMW respectively in accordance with section 35DD of the Income Tax Act over a period of five years beginning with the financial year in which this Scheme becomes effective.

**47. SAVING OF CONCLUDED TRANSACTIONS**

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Companies in relation to the Demerged Undertakings and NMW until the date of approval of the Scheme by the respective Boards, to the end and intent that NMW shall accept and adopt all acts, deeds and things done and executed by the Demerged Companies or HTM in respect thereto as done and executed on behalf of NMW.

