SCHEME OF ARRANGEMENT

AMONGST

LUX INDUSTRIES LIMITED

("Demerged Company")

AND

LUX AND COZI LIMITED

("Resulting Company 1")

AND

LUX GLOBAL LIMITED

("Resulting Company 2")

AND

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

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Lux and Cozi Limited Kolkata

Lux Industries Limited Kolkata

I. DESCRIPTION OF COMPANIES:

1. Lux Industries Limited ("**LIL**" or "**Demerged Company**")

   i) LIL is an existing public limited company within the meaning of the Companies Act, 2013 and bearing CIN: L17309WB1995PLC073053 with its registered office at 39, Kali Krishna Tagore Street, Kolkata - 700007.

   ii) LIL is engaged in *inter alia* in the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery.

   iii) The equity shares of the Demerged Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively, "**Stock Exchanges**").

2. Lux and Cozi Limited ("**LCL**" or the "**Resulting Company 1**")

   i) Resulting Company 1 is an existing public limited company within the meaning of the Companies Act, 2013 and bearing CIN: U14309WB2026PLC288301 with its registered office at 39, Kali Krishna Tagore Street, Kolkata - 700007.

   ii) Resulting Company 1 is a wholly owned subsidiary of the Demerged Company and has been incorporated, *inter alia*, to carry on the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery, and shall take over the Vertical A Undertaking (*as defined hereinafter*) pursuant to this Scheme.

3. Lux Global Limited ("**LGL**" or "**Resulting Company 2**")

   i) Resulting Company 2 is an existing public limited company within the meaning of the Companies Act, 2013 and bearing CIN: U14309WB2026PLC288247 with its registered office at 39, Kali Krishna Tagore Street, Kolkata - 700007.

   ii) Resulting Company 2 is a wholly owned subsidiary of the Demerged Company and has been incorporated, *inter alia*, to carry on the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery, and shall take over the Vertical C Undertaking (*as defined hereinafter*) pursuant to this Scheme.

II. PREAMBLE:

1. LIL commenced its business in the year 1995 under the visionary leadership of Todi Family members. Over the years, LIL has evolved into a prominent player in India's branded innerwear and outerwear hosiery market. Over the years, with the continued support of its shareholders, creditors, employees, customers, business partners and other stakeholders, LIL has grown substantially and operates through various manufacturing facilities across the country with a presence spread over 46 countries.

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2. LIL's management is undergoing a generational shift, with the third generation of the promoter family (Mr. Navin Kumar Todi, Mr. Rahul Kumar Todi, Mr. Saket Todi and Mr. Udit Todi) having assumed active leadership positions under the overall guidance of Mr. Ashok Kumar Todi, Chairman & Whole-time Director and Mr. Pradip Kumar Todi, Managing Director.

3. Taking into account the generational shift in LIL's management and operational challenges for an expanding business, the business structure for management purposes of the Demerged Company was trifurcated into distinct verticals i.e. Vertical A, Vertical B and Vertical C, which are engaged in production, marketing and distribution of various products under identified brands and facilities.

4. On 22 April 2026, the promoter and promoter group members of LIL from the Todi Family intimated LIL that they have inter-se executed a Family Settlement Agreement ("**Promoter Intimation of FSA**") *inter alia* to realign ownership, management and business operations of LIL and its associated businesses in the following manner and to ensure harmony in the future amongst the succeeding generations of the Todi family, subject to receipt of necessary corporate and regulatory approvals: (i)Vertical A shall be housed in a separate entity and shall be managed and controlled by the AKT Family; (ii) Vertical B shall continue with LIL and shall be managed and controlled by the PKT Family; and (iii) Vertical C shall be housed in a separate entity and shall be managed and controlled by the KKT Family.

5. This Scheme of Arrangement ("**Scheme**") is presented under Sections 230 to 232 of the Companies Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) and other applicable provisions of the Companies Act, 2013 along with applicable provisions of the Income Tax Act (*as defined hereinafter*). This Scheme *inter alia* provides for:

   i) the demerger of the Vertical A Undertaking from the Demerged Company into Resulting Company 1 on a going concern basis;

   ii) the demerger of the Vertical C Undertaking from the Demerged Company into Resulting Company 2 on a going concern basis;

   iii) various other matters consequential or otherwise integrally connected therewith in the manner set out in this Scheme.

6. The Scheme also provides that Vertical B Undertaking shall continue in the Demerged Company.

III. RATIONALE OF THE SCHEME:

1. The Board of Directors of the Demerged Company believe that the businesses comprised in the respective Verticals (*as defined hereinafter*) of the Demerged Company have distinct operational requirements, growth prospects, strategic priorities, risk profiles and return characteristics and that the segregation of Vertical A Undertaking and Vertical C Undertaking from the Demerged Company will result in focused management, efficient administration,

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independent strategic decision-making and greater accountability for each business segment, thereby unlocking value for the shareholders and other stakeholders.

2. The proposed Scheme is driven by commercial, operational and strategic considerations, including long-term stability, efficient administration, business continuity, enhanced operational flexibility and maximisation of value for all shareholders and stakeholders. The proposed Scheme will create distinct and independent business platforms and streamline governance structures, enabling each company to pursue its strategic objectives, capital allocation priorities and growth plans more effectively. The Scheme is also expected to provide a robust framework for long-term leadership, support orderly leadership transitions and ensure continuity and stability of operations without disruption to the respective businesses. The shareholding of public shareholders following the demerger will remain the same in all companies and shareholder value, across companies, will be preserved.

3. The demerger, transfer and vesting of the Vertical A Undertaking and Vertical C Undertaking on a going concern basis, into the respective Resulting Companies would result in better and more efficient control by the management of the segregated Verticals and promote their growth. Further, the Scheme would also result in, *inter alia*, the following benefits:

i) The Demerged Company and Resulting Companies would be led by separate and dedicated management teams, enabling improved and efficient control and greater managerial focus on their respective businesses, facilitating efficient exploration of new possibilities and optimum utilization of various resources.

ii) The demerger would facilitate targeted growth, operational efficiencies, and increased operational and customer support in relation to the respective undertakings proposed to be demerged into the Resulting Companies (*as defined hereinafter*), as well as the business of the Vertical B remaining in the Demerged Company.

iii) Strategic business approach for the maximization of shareholder value.

iv) Ability to leverage financial and operational resources of each business verticals independently.

v) Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.

vi) The proposed demerger will enhance value for shareholders and allow a focused strategy for the respective business Verticals, which would be in the best interest of the Demerged Company, Resulting Companies, and their shareholders, creditors and all other stakeholders.

vii) The demerger is also expected to unlock the value of the business verticals of the Demerged Company. Steps shall also be taken by the Parties to

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cause Resulting Company 1 and Resulting Company 2 to be listed on the Stock Exchanges (*as defined hereinafter*).

viii) The Scheme would provide a competitive advantage in pursuing future growth opportunities, generate greater cost efficiencies and thereby significantly enhance the earnings potential of the respective companies.

4. Pursuant to the implementation of this Scheme, the management and control of each of the Demerged Company and the Resulting Companies will be aligned with the respective family group, resulting in focused and agile management of the respective businesses. This is expected to provide long-term stability, preserve goodwill and harmony amongst the promoter family groups, facilitate orderly succession and leadership transition, and ensure continuity of the respective businesses without disruption.

5. The interests of shareholders and creditors of either the Demerged Company or the Resulting Companies would not be prejudiced as a result of the Scheme. The Scheme is not, in any manner, prejudicial or against public interest, and would serve the interest of all shareholders, creditors and stakeholders.

IV. PARTS OF THE SCHEME:

The Scheme of Arrangement is divided into the following parts:

Part A - Provides for the Definitions, Interpretation and Share Capital Structure and coming into effect of the Scheme.

Part B - Provides for the Demerger (*as defined hereinafter*) of the Vertical A Undertaking from the Demerged Company into Resulting Company 1 on a going concern basis and the issue of Resulting Company 1 New Shares (*as defined hereinafter*) by Resulting Company 1 to the equity shareholders of the Demerged Company in consideration thereof, in accordance with Section 2(35) of the Income Tax Act, 2025 and Sections 230 to 232 of the Companies Act, 2013 and matters incidental thereto.

Part C - Provides for the Demerger of the Vertical C Undertaking from the Demerged Company into Resulting Company 2 on a going concern basis and the issue of Resulting Company 2 New Shares (*as defined hereinafter*) by Resulting Company 2 to the equity shareholders of the Demerged Company in consideration thereof, in accordance with Section 2 (35) of the Income Tax Act, 2025 and Sections 230 to 232 of the Companies Act, 2013 and matters incidental thereto.

Part D - Provides for the General Terms and Conditions applicable to this Scheme.

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PART A

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL STRUCTURE AND COMING INTO EFFECT OF THE SCHEME

1. Definitions:

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively assigned against them:

1.1 **"Act" or "the Act"** means the Companies Act, 2013, the rules, regulations, circulars, guidelines issued thereunder, as amended from time to time, and shall include any statutory modification or re-enactment or amendment thereof for the time being in force;

1.2 **"Applicable Laws"** means any statute, notifications, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;

1.3 **"Appointed Date"** means the first day of the financial quarter in which this Scheme becomes effective.

1.4 **"Appropriate Authority"** means and includes any applicable judicial authority, governmental authority, statutory department and/or authority, departmental or public body or authority or agency, whether in India or outside India, including but not restricted to the Central Government, RoC, National Company Law Tribunal, Stock Exchanges, BSE, NSE, SEBI, the Employees' Provident Fund Organisation, the Regional Director (Ministry of Corporate Affairs), courts, tribunals and arbitral bodies having jurisdiction;

1.5 **"Board" or "Board of Directors"** means the board of directors of the Demerged Company or the Resulting Companies, collectively or individually, as the context may require, and shall include a committee duly constituted and authorized thereby for the purpose of matters pertaining to this Scheme and/or any other consequential or incidental matter in relation thereto;

1.6 **"BSE"** means BSE Limited, a recognised stock exchange under the Securities Contracts (Regulation) Act, 1956;

1.7 **"CIN"** means Corporate Identification Number;

1.8 **"Common Assets"** means all assets, properties, rights, claims, records, deposits, credits, refunds, exemptions, privileges, entitlements and benefits enjoyed or granted to the Demerged Company of every kind, whether present or future, accrued or contingent, crystallised or uncrystallised, admitted or disputed, and whether or not recorded in the books of account or disclosed in the balance sheet of the Demerged Company, which exist as on the Appointed Date or arise at any time thereafter in respect of any period prior to the Appointed Date, and which are not relatable exclusively to the Vertical A Undertaking, the Vertical B

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Undertaking or the Vertical C Undertaking.

1.9 **"Common Liabilities"** means all liabilities excluding general and multipurpose borrowings, contingent liabilities, duties, demands, claims, taxes, levies, cesses, penalties, interest, fines, costs and obligations of the Demerged Company of every kind, whether present or future, accrued or contingent, crystallised or uncrystallised, admitted or disputed, and whether or not recorded in the books of account or disclosed in the balance sheet of the Demerged Company, which exist as on the Appointed Date or arise at any time thereafter in respect of any period prior to the Appointed Date, and which are not relatable exclusively to the Vertical A Undertaking, the Vertical B Undertaking or the Vertical C Undertaking.

1.10 "**Demerger** shall have the meaning as assigned in Section 2(35) of the Income Tax Act, 2025 (corresponding to erstwhile Section 2(19AA) of the Income Tax Act, 1961), as contextually applicable.

1.11 **"Demerged Company" or "LIL"** means Lux Industries Limited (CIN: L17309WB1995PLC073053), an existing public limited company within the meaning of the Companies Act, 2013, having its registered office at 39, Kali Krishna Tagore Street, , Kolkata - 700 007;

1.12 **"Depository Participant"** shall have the meaning ascribed to it under Section 2(1)(g) of the Depositories Act, 1996 and shall mean an agent of the depository through whom it interfaces with the beneficial owner, and who has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

1.13 **"Effective Date"** means the last of the dates on which the certified copies of the Sanction Order are filed by each of the Parties with the RoC, having jurisdiction over each of them respectively. Any reference in this Scheme to "upon this Scheme becoming effective" or "coming into effect of this Scheme" shall mean the Effective Date;

1.14 **"Employees"** means all categories of persons employed by a Party on a permanent, temporary, contractual, or probationary basis including all workmen or workers as defined under the Industrial Disputes Act, 1947 or the Industrial Relations Code, 2020 (as applicable), managerial and supervisory staff, and any other persons employed under a contract of employment or contract for service, whether on the payroll of such Party or engaged through a third party service provider to the extent such persons are deemed to be employees of such Party under Applicable Law;

1.15 **"Employees' Provident Fund Organisation"** or **"EPFO"** means the Employees' Provident Fund Organisation established under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

1.16 **"Encumbrance"** means any form of legal or equitable encumbrance or security interest including any mortgage, pledge, hypothecation, assignment by way of security, charge, lien, non-disposal undertaking or other security interest of any

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kind securing any obligation of any Person, any outstanding taxes which have become due and payable, any option, pre-emptive right, proxy, power of attorney, right of first offer or refusal, or transfer restriction in favour of any Person, adverse claim, title retention agreement, conditional sale agreement, or any agreement to create any of the foregoing; and the term "Encumber" shall be construed accordingly;

1.17 **"GST"** means the goods and services tax levied under the Central Goods and Services Tax Act, 2017, the respective State Goods and Services Tax Acts, 2017, the Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017 and shall include any statutory modifications, re-enactments or amendments thereof and the rules, regulations, circulars and notifications issued thereunder;

1.18 **"Implementation Period"** means the period commencing from the date of approval of this Scheme by the respective Boards of Directors of the Parties and ending on and including the Effective Date;

1.19 **"Income Tax Act"** means the Income-tax Act, 1961 or the Income-tax Act, 2025, together with the rules, regulations, circulars and notifications issued thereunder, as amended or re-enacted from time to time; and any reference to a section of either Act shall be read as a reference to the corresponding section of the other Act, as applicable;

1.20 "**Indirect Tax Laws**" means and includes GST, and the Integrated Goods and Services Tax Act; the Customs Act; Customs Tariff Act; the Central Excise Act; Central Excise Tariff Act; the Central Sales Tax Act, 1956; the Value Added Tax Act of various states; the Entry Tax Act and any other law, whether Central, State or local, imposing an indirect tax, duty, cess, levy or impost of a like nature.

1.21 **"Intellectual Property"** means all intellectual property rights of any nature whatsoever, whether recorded in the books or not, which may exist or be created under the laws of any jurisdiction, including: (a) rights in information, database rights, trade secrets and confidential information; (b) trademarks, service marks, patents, inventions, rights in logos, brand names, trade and business names, rights in get-up and trade dress, domain names and all associated goodwill; (c) copyrights, moral rights and related rights, rights in computer software, software codes and database rights; (d) designs, drawings, research and studies, marketing authorisations, marketing intangibles; and (e) all rights or forms of protection subsisting now or in the future and all current or pending applications with respect to the foregoing;

1.22 "**Investments in Resulting Company 1**" means the shareholding of the Resulting Company 1 held by the Demerged Company;

1.23 **"Investments in Resulting Company 2**" means the shareholding of the Resulting Company 2 held by the Demerged Company;

1.24 **"Lux and Cozi Shareholder Group A"** comprises Ashok Kumar Todi HUF, Mr. Ashok Kumar Todi, Ms. Bimla Devi Todi and Mr. Saket Todi;

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1.25 **"Lux and Cozi Shareholder Group B"** comprises Mr. Upendra Samriya, Mr. Rohit Poddar, Ms. Neha Poddar and Ms. Shilpa Agarwal Samriya;

1.26 "**Lux Industries Shareholder Group**" comprises Pradip Kumar Todi HUF, Mr. Pradip Kumar Todi, Ms. Shobha Todi and Mr. Udit Todi;

1.27 **"Lux Global Shareholder Group"** includes Ms. Prabha Devi Todi, Mr. Navin Kumar Todi and Mr. Rahul Kumar Todi;

1.28 **"National Company Law Tribunal" or "NCLT"** means the National Company Law Tribunal Bench at Kolkata as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230-232 of the Companies Act, 2013;

1.29 **"NSE"** means National Stock Exchange of India Limited, a recognised stock exchange under the Securities Contracts (Regulation) Act, 1956;

1.30 **"Parties"** means collectively the Demerged Company (LIL), Resulting Company 1, Resulting Company 2; and "**Party**" means each of them, individually;

1.31 **"Permits"** means all consents, licences (including factory licences), certifications, permits, benefits including the benefit of all transferable statutory and regulatory permissions, environmental approvals and consents, statutory licences, permissions or approvals, certificates, permissions, privileges, tenancy rights, incentives, recognitions, authorisations, registrations, enrolments, powers of attorney, concessions, entitlements, subsidies, no-objection certificates, waivers, exemptions, filings, credits and allotments, in each case from any Person or Appropriate Authority;

1.32 **"Person"** means any individual, entity, corporation, partnership (whether limited or unlimited), company, association, trust, joint venture, proprietorship, or other enterprise (whether incorporated or not), an unincorporated organization, Hindu undivided family, union, association of persons, or any governmental authority or any agency, department, authority or political subdivision thereof, and shall include their respective successors and permitted assignees;

1.33 **"Pendency Period"** is the interim period between the Appointed Date and ending on and including the Effective Date;

1.34 **"Promoter Intimation of FSA"** shall have the meaning as ascribed in Clause II (4) of Preamble of this scheme and as available on the website of Stock Exchanges and also on the corporate website of the LIL;

1.35 **"Record Date"** means the date to be fixed by the Board of Directors of the Demerged Company in consultation with the Board of Directors of Resulting Company 1 and the Resulting Company 2 for the purpose of determining the equity shareholders of the Demerged Company to whom Resulting Company 1 New Shares and the Resulting Company 2 New Shares shall be issued pursuant to this Scheme. Both such dates may be the same date if so determined by the respective Boards;

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1.36 **"RoC"** means the jurisdictional Registrar of Companies, whichever may have jurisdiction over the Parties;

1.37 "**Resulting Company 1**", means Lux and Cozi Limited an existing public limited company within the meaning of the Companies Act, 2013, having its registered office at 39, Kali Krishna Tagore Street, Kolkata - 700007 and having CIN: U14309WB2026PLC288301;

1.38 "**Resulting Company 2**", means Lux Global Limited an existing public limited company within the meaning of the Companies Act, 2013, having its registered office at 39, Kali Krishna Tagore Street, Kolkata – 700007 and having CIN: U14309WB2026PLC288247;

1.39 **"Remaining Business Undertaking"** means all undertakings, businesses, operations, assets, liabilities and activities of the Demerged Company excluding the Vertical A Undertaking (*as defined hereafter*) and the Vertical C Undertaking (*each as defined herein*) and comprises (a) **"Vertical B Undertaking;** (b) the Common Assets and the Common Liabilities (*each as defined herein*); and (c) Investment in Resulting Company 1 and Investment in Resulting Company 2;

1.40 **"Resulting Company 1 New Shares"** means the fully paid-up equity shares of Resulting Company 1 of INR 2 each to be issued and allotted to the equity shareholders of the Demerged Company as consideration for the demerger of the Vertical A Undertaking pursuant to this Scheme;

1.41 **"Resulting Company 2 New Shares"** means the fully paid-up equity shares of Resulting Company 2 of INR 2 each to be issued and allotted to the equity shareholders of the Demerged Company as consideration for the demerger of the Vertical C Undertaking pursuant to this Scheme;

1.42 **"Resulting Companies"** means collectively Resulting Company 1 and Resulting Company 2;

1.43 **"Sanction Order"** means the order or orders of the National Company Law Tribunal, approving this Scheme under Sections 230 to 232 of the Act;

1.44 **"Scheme" or "this Scheme" or "Scheme of Arrangement"** shall mean this Scheme of Arrangement in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the NCLT and other relevant regulatory/statutory/governmental authorities, as may be required under the Act, and/or any other applicable laws;

1.45 **"SEBI"** means the Securities and Exchange Board of India;

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

1.47 **"SEBI Schemes Master Circular"** means SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20,2023 issued by SEBI regarding Schemes of Arrangement by Listed Entities, as amended/ modified/

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replaced from time to time;

1.48 **"Stock Exchanges"** means BSE and NSE collectively;

1.49 **"Takeover Code"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended/ modified/ replaced from time to time;

1.50 **"Todi Family"** means the AKT Family, PKT Family and KKT Family as specifically identified in the Promoter Intimation of FSA;

1.51 **"Transferring Employees"** means all employees of the Demerged Company who are engaged in and/or relate to the Vertical A Undertaking or the Vertical C Undertaking, as applicable, as on the Appointed Date;

1.52 **"Vertical A"** means one of the identified business Verticals of LIL managed and led by Mr. Saket Todi;

1.53 **"Vertical A Share Entitlement Ratio"** means the ratio in which Resulting Company 1 New Shares shall be issued and allotted to the equity shareholders of the Demerged Company pursuant to Part B of this Scheme;

1.54 **"Vertical A Undertaking"** means and includes the business activities and operations of the Demerged Company managed and operated under Vertical A and transactions and balances as recorded in the books of accounts, together with all the assets, properties, Employees, liabilities and entire business(es) pertaining to Vertical A, including major brands such as Lux Cozi, ONN, Lux Cotts' wool, Lux Parker, Lux Mozze, Lux Cozi Heatek, Pynk using the manufacturing/ warehousing facilities of LIL located at Dankuni, 5 No. KC Road and Sankrail Industrial Park (West Bengal), Tajpur Road (Punjab) and Avinashi Tiruppur (Tamil Nadu), on a going concern basis, as on the Appointed Date, and shall without limitation, include the following:

i) All immovable properties and rights thereto i.e. land together with the buildings and structures appurtenant thereto (including capital work in progress), whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise including all rights and interests in the land, roads, gardens, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, apartments, complexes, residential and other premises etc. related to the Vertical A, and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties.

ii) All assets, as are movable in nature and which form part of the Vertical A, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated, whether or not recorded in the books of accounts of the Demerged Company, (including capital work in progress, plant and

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machinery, furniture, fixtures, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets including investments in Artimas Fashions Private Limited, , outstanding loans and advances, recoverable in cash or in kind or for any value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and Tax related assets/credits pertaining to the Vertical A, including but not limited to goods and service tax input credits, sales tax/entry tax/TDS/TCS credits or set-offs, withholding tax/TDS/ TCS, Taxes withheld/paid in a foreign country, self-assessment tax, regular tax, surcharge, cess, tax refunds, rights of any claim made or not made by the Demerged Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Vertical A of the Demerged Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority, deferred tax assets/liabilities, accumulated losses and allowance for unabsorbed depreciation under the Income Tax Act, to the extent exclusively related to Vertical A.

iii) All Intellectual Property rights in relation to Vertical A including brands, trademarks (including registered and unregistered trademarks), the website www.luxinnerwear.com, www.onninternational.com, www.luxcozi.com, the telephone number 40402121, copyrights, domain names, trade secrets, designs, patents, labels, software and computer programmes, databases and other industrial and intellectual property, licenses, and any other properties pertaining or relatable exclusively to the Vertical A.

iv) All contracts, agreements, brand licensing agreements, deeds, leases, memoranda of understanding, memorandum of agreements, undertakings, arrangements, letters of intent, whether written or otherwise, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party in connection with or in relation to the Vertical A or otherwise identified to be for the benefit of the Vertical A.

v) All debts (whether in Rupees or foreign currency), borrowings including bank credit facilities availed, liabilities including contingent liabilities, duties, taxes and obligations whether present or future (whether secured or unsecured, under any licenses or permits or schemes or claims from customers), of every kind, nature and description and undertakings of every kind or nature and the liabilities of any description whatsoever, whether or not recorded in the books of accounts or disclosed in the balance sheet, howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon pertaining or relatable to the Vertical A or otherwise identified to be arising out the operations of

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Vertical A.

vi) Any securities, charges, mortgages and encumbrances including primary security by way of hypothecation over current assets, secondary security comprising registered/equitable mortgages over identified immovable properties, and personal guarantees of family members, to the extent relatable to the Vertical A.

vii) All Permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, no-objection certificates, incentives, tax benefits, subsidies, deductions, claims, concessions, grants, refunds, reimbursements, exemptions, benefits including sales tax deferrals, tax credits (including GST input tax credit allocated to Vertical A and accumulations thereafter), and any other statutory and regulatory permissions exclusively relating to the Vertical A.

viii) All Employees engaged in the Vertical A of the Demerged Company as on the Appointed Date, and any other employees/personnel who are primarily engaged in or in relation to the Vertical A as on the Appointed Date including liabilities with regard to Employees, with respect to payment of gratuity, pension benefit and provident fund or other compensation or benefits, if any whether in the event of resignation, death, retirement, retrenchment or otherwise.

ix) All books, records, files, papers, information, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former vendors /customers/ suppliers whether in physical or electronic form, exclusively relating to the Vertical A;

x) All legal or other proceedings of whatsoever nature, including quasi - judicial, arbitral and other proceedings, related to or pertaining to the Vertical A.

xi) Entire experience, credentials, past record and market share of the Demerged Company pertaining to the Vertical A;

xii) All earnest monies, security deposits, advance tax payments, tax deducted at source, refunds, claims and credits including debits relating to the Vertical A.

xiii) For the purpose of this Scheme, the liabilities pertaining to the Vertical A Undertaking means and includes:

a) all liabilities including contingent and future liabilities, (recorded or unrecorded) arising out of the activities or operation or relating to movable or immovable assets of the Vertical A including in relation or connection with direct and indirect taxes or any other applicable law or under or in relation to its contracts, Employees, transactions, other obligations, duties and sums owing;

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b) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of the Vertical A;

c) liabilities other than those referred to in sub-clauses (a) and (b) above being the amounts of general or multipurpose borrowings, if any, of the Demerged Company be allocated to the Vertical A in the same proportion in which the value of the assets transferred under this scheme bears to the total value of the assets of the Demerged Company immediately before the Appointed Date of the Scheme.

Any question that may arise post Effective Date as to whether a specified asset, agreements, benefit or liability pertains to the Vertical A Undertaking shall be decided by the Boards of Directors of the Demerged Company and Resulting Companies (as applicable) by mutual agreement.

1.55 **"Vertical B"** means one of the identified business vertical of LIL led and managed by Mr. Udit Todi.

1.56 **"Vertical B Undertaking"** means and includes the business activities and operations of the Demerged Company managed and operated under Vertical B and transactions and balances as recorded in the books of accounts, together with all the assets, properties, Employees, liabilities and entire business(es) pertaining to Vertical B including major brands such as Lux Venus, Lux Nitro, Lux Nitro Socks, Lyra, Lux Inferno, Lux Venus Rainwear, Lux Venus Her using the manufacturing/ warehousing facilities of LIL located at Hosiery Park, 28, B.T. Road (West Bengal), Ludhiana (Punjab), Tronica City (Ghaziabad) and Avinashi, Tiruppur (Tamil Nadu), on a going concern basis, as on the Appointed Date, and shall without limitation, include the following:

i) All immovable properties and rights thereto i.e. land together with the buildings and structures appurtenant thereto (including capital work in progress), whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise including all rights and interests in the land, roads, gardens, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, apartments, complexes, residential and other premises etc. related to the Vertical B, and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties.

ii) All assets, as are movable in nature and which form part of the Vertical B, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated, whether or not recorded in the books of accounts of the Demerged Company, (including capital work in progress, plant and machinery, furniture, fixtures, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations,

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vehicles), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, outstanding loans and advances, recoverable in cash or in kind or for any value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and Tax related assets/credits pertaining to the Vertical B, including but not limited to goods and service tax input credits, sales tax/entry tax/TDS/TCS credits or set-offs, withholding tax/TDS/ TCS, Taxes withheld/paid in a foreign country, self-assessment tax, regular tax, surcharge, cess, tax refunds, rights of any claim made or not made by the Demerged Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Vertical B of the Demerged Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority, deferred tax assets/liabilities, accumulated losses and allowance for unabsorbed depreciation under the Income Tax Act, to the extent exclusively related to Vertical B.

iii) All Intellectual Property rights in relation to Vertical B including brands, trademarks (including registered and unregistered trademarks), the website www.luxindustries.com, www.mylyra.com telephone number: 033 4951 5151 copyrights, domain names, trade secrets, designs, patents, labels, software and computer programmes, databases and other industrial and intellectual property, licenses, and any other properties pertaining or relatable exclusively to the Vertical B.

iv) All contracts, agreements, brand licensing agreements, deeds, leases, memoranda of understanding, memorandum of agreements, undertakings, arrangements, letters of intent, whether written or otherwise, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party in connection with or in relation to the Vertical B or otherwise identified to be for the benefit of the Vertical B.

v) All debts (whether in Rupees or foreign currency), borrowings including bank credit facilities availed, liabilities including contingent liabilities, duties, taxes and obligations whether present or future (whether secured or unsecured, under any licenses or permits or schemes or claims from customers) of every kind, nature and description and undertakings of every kind or nature and the liabilities of any description whatsoever, whether or not recorded in the books of accounts or disclosed in the balance sheet, howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon pertaining or relatable to the Vertical B or otherwise identified to be arising out the operations of Vertical B.

vi) Any securities, charges, mortgages and encumbrances (including primary

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vii) All Permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, no-objection certificates, incentives, tax benefits, subsidies, deductions, claims, concessions, grants, refunds, reimbursements, exemptions, benefits including sales tax deferrals, tax credits (including GST input tax credit allocated to Vertical B and accumulations thereafter), and any other statutory and regulatory permissions exclusively relating to the Vertical B.

viii) All Employees engaged in the Vertical B of the Demerged Company as on the Appointed Date, and any other employees/personnel who are primarily engaged in or in relation to the Vertical B as on the Appointed Date including liabilities with regard to Employees, with respect to payment of gratuity, pension benefit and Provident Fund or other compensation or benefits, if any whether in the event of resignation, death, retirement, retrenchment or otherwise.

ix) All books, records, files, papers, information, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former vendors/ customers/ suppliers, whether in physical or electronic form, exclusively relating to the Vertical B.

x) All legal or other proceedings of whatsoever nature, including quasi - judicial, arbitral and other proceedings, related to or pertaining to the Vertical B.

xi) Entire experience, credentials, past record and market share of the Demerged Company pertaining to the Vertical B;

xii) All earnest monies, security deposits, advance tax payments, tax deducted at source, refunds, claims and credits including debits relating to the Vertical B.

xiii) For the purpose of this Scheme, the liabilities pertaining to the Vertical B Undertaking means and includes:

a) all liabilities including contingent and future liabilities (recorded or unrecorded) arising out of the activities or operation or relating to movable or immovable assets of the Vertical B including in relation or connection with direct and indirect Taxes or any other applicable law or under or in relation to its contracts, Employees, transactions, other obligations, duties and sums owing;

b) specific loans and borrowings raised incurred and utilized solely for the activities or operations of the Vertical B;

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c) liabilities other than those referred to in sub-clauses (a) and (b) above being the amounts of general or multipurpose borrowings, if any, of the Demerged Company be allocated to the Vertical B in the same proportion in which the value of the assets transferred under this Scheme bears to the total value of the assets of the Demerged Company immediately before the Appointed Date of the Scheme.

Any question that may arise post Effective Date as to whether a specified asset, agreements, benefit or liability pertains to the Vertical B Undertaking shall be decided by the Boards of Directors of the Demerged Company and Resulting Companies (as applicable) by mutual agreement.

1.57 **"Vertical C"** means one of the identified business verticals of LIL led and managed by Mr. Rahul Kumar Todi.

1.58 **"Vertical C Share Entitlement Ratio"** means the ratio in which Resulting Company 2 New Shares shall be issued and allotted to the equity shareholders of the Demerged Company pursuant to Part C of this Scheme;

1.59 **"Vertical C Undertaking"** means and includes the business activities and operations of the Demerged Company managed and operated under Vertical C, and transactions and balances as recorded in the books of accounts, together with all the assets, properties, Employees, liabilities and entire business(es) pertaining to Vertical C including major brands such as GenX, Lux Champion, Lux Classic, Lux Karishma, Lux Amore, Target Active, Target Gold and Lux Lovely using the manufacturing/ warehousing facilities of LIL located at Vengamedu, Tiruppur (Tamil Nadu) Ludhiana (Punjab) and Kolkata (West Bengal), on a going concern basis, as on the Appointed Date, and shall without limitation, include the following:

i) All immovable properties and rights thereto i.e. land together with the buildings and structures appurtenant thereto (including capital work in progress), whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise including all rights and interests in the land, roads, gardens, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, apartments, complexes, residential and other premises etc. related to the Vertical C, and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties.

ii) All assets, as are movable in nature and which form part of the Vertical C, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated, whether or not recorded in the books of accounts of the Demerged Company, (including capital work in progress, plant and machinery, furniture, fixtures, computers, air conditioners, appliances,

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accessories, office equipment, communication facilities, installations, vehicles), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, outstanding loans and advances, recoverable in cash or in kind or for any value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and Tax related assets/credits pertaining to the Vertical C, including but not limited to goods and service tax input credits, sales tax/entry tax/TDS/TCS credits or set-offs, withholding tax/TDS/ TCS, Taxes withheld/paid in a foreign country, self-assessment tax, regular tax, surcharge, cess, tax refunds, rights of any claim made or not made by the Demerged Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Vertical C of the Demerged Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority, deferred tax assets/liabilities, accumulated losses and allowance for unabsorbed depreciation under the Income Tax Act, to the extent exclusively related to Vertical C.

iii) All Intellectual Property rights in relation to Vertical C including brands, trademarks (including registered and unregistered trademarks), the websites: www.luxglobal.co.in, telephone number 0421 4246 060, copyrights, domain names, trade secrets, designs, patents, labels, software and computer programmes, databases and other industrial and intellectual property, licenses, and any other properties pertaining or relatable exclusively to the Vertical C.

iv) All contracts, agreements, brand licensing agreement, deeds, leases, memoranda of understanding, memorandum of agreements, undertakings, arrangements, letters of intent, whether written or otherwise, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party in connection with or in relation to the Vertical C or otherwise identified to be for the benefit of the Vertical C.

v) All debts (whether in Rupees or foreign currency), borrowings including bank credit facilities availed, liabilities including contingent liabilities, duties, taxes and obligations whether present or future (whether secured or unsecured, under any licenses or permits or schemes or claims from customers) of every kind, nature and description and undertakings of every kind or nature and the liabilities of any description whatsoever, whether or not recorded in the books of accounts or disclosed in the balance sheet, howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon pertaining or relatable to the Vertical C or otherwise identified to be arising out the operations of Vertical C.

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vi) Any securities, charges, mortgages and encumbrances (including primary security by way of hypothecation over current assets, secondary security comprising registered/equitable mortgages over identified immovable properties, and personal guarantees of family members, to the extent relatable to the Vertical C.

vii) All Permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, no-objection certificates, incentives, tax benefits, subsidies, deductions, claims, concessions, grants, refunds, reimbursements, exemptions, benefits including sales tax deferrals, tax credits (including GST input tax credit allocated to Vertical C and accumulations thereafter), and any other statutory and regulatory permissions exclusively relating to the Vertical C.

viii) All Employees engaged in the Vertical C of the Demerged Company as on the Appointed Date, and any other employees/personnel who are primarily engaged in or in relation to the Vertical C as on the Appointed Date including liabilities with regard to Employees, with respect to payment of Gratuity, Pension benefit and Provident Fund or other compensation or benefits, if any whether in the event of resignation, death, retirement, retrenchment or otherwise.

ix) All books, records, files, papers, information, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former vendors/ customers/suppliers whether in physical or electronic form, exclusively relating to the Vertical C.

x) All legal or other proceedings of whatsoever nature, including quasi - judicial, arbitral and other proceedings, related to or pertaining to the Vertical C.

xi) Entire experience, credentials, past record and market share of the Demerged Company pertaining to the Vertical C;

xii) All earnest monies, security deposits, advance tax payments, tax deducted at source, refunds, claims and credits including debits relating to the Vertical C.

xiii) For the purpose of this Scheme, the liabilities pertaining to the Vertical C Undertaking means and includes:

a) all liabilities including contingent and future liabilities (recorded or unrecorded) arising out of the activities or operation or relating to movable or immovable assets of the Vertical C including in relation or connection with direct and indirect Taxes or any other applicable law or under or in relation to its contracts, Employees, transactions, other obligations, duties and sums owing;

b) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of the Vertical C;

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c) liabilities other than those referred to in sub-clauses (a) and (b) above being the amounts of general or multipurpose borrowings, if any, of the Demerged Company be allocated to the Vertical C in the same proportion in which the value of the assets transferred under this Scheme bears to the total value of the assets of the Demerged Company immediately before the Appointed Date of the Scheme.

Any question that may arise post Effective Date as to whether a specified asset, agreements, benefit or liability pertains to the Vertical C Undertaking shall be decided by the Boards of Directors of the Demerged Company and Resulting Companies (as applicable) by mutual agreement.

1.60 "**Verticals**" means cumulatively Vertical A, Vertical B and Vertical C;

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 the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time. The singular shall include the plural and vice versa.

2. Interpretation

In this Agreement, unless the context otherwise requires:

2.1 the terms referred to in this Scheme shall, unless defined otherwise or inconsistent with the context or meaning thereof, bear the meanings ascribed to them under the relevant statute or legislation;

2.2 references to a person include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality);

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 Agreement or the schedules hereto and shall be ignored in construing the same;

2.4 reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions;

2.5 the singular shall include the plural and vice versa; and references to one gender include all genders;

2.6 references to days, months and years are to calendar days, calendar months and calendar years, respectively;

2.7 any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

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2.8 the terms "herein", "hereof", "hereto", "hereunder" and words of similar purport refer to this Scheme;

2.9 the use of the term "or" is not intended to be exclusive.

3. Share Capital:

3.1 The share capital of the Demerged Company as on the date of the meeting of the Board of Directors of the Demerged Company approving the Scheme, is as under:

Share Capital	**Amount (in INR)**
Authorized Share Capital	
8,37,50,000 equity shares of INR 2 each	16,75,00,000
56,00,000 preference shares of INR 100 each	56,00,00,000
TOTAL	**72,75,00,000**
Issued and Subscribed Share Capital	
3,25,56,181 equity shares of INR 2 each	6,51,12,362
TOTAL	**6,51,12,362**
Paid-up Share Capital	
3,00,71,681 equity shares of INR 2 each	6,01,43,362
TOTAL	**6,01,43,362**

Note: As on date the paid-up share capital of the Demerged Company includes Rs. 24,84,500/- on account of the forfeited shares. Such amount shall stand transferred to the Capital Reserve Account of the Demerged Company on the Effective Date. It is hereby clarified that the approval of the members and/or creditors and/or Appropriate Authority of Demerged Company, as may be required, shall be deemed to constitute their consent and approval towards such transfer under the applicable provisions of the Act, and no separate consent or approval shall be required for this purpose. Necessary compliances under the Act shall be made, if so required..

3.2 The share capital of Resulting Company 1 as on the date of the meeting of the Board of Directors of Resulting Company 1 approving the Scheme is as under:

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Share Capital	**Amount (INR)**
Authorized Share Capital 2,50,000 equity shares of INR 2 each	5,00,000
TOTAL	**5,00,000**
Issued, subscribed and paid-up Share Capital 2,50,000 equity shares of INR 2 each	5,00,000
TOTAL	**5,00,000**

3.3 The share capital of Resulting Company 2 as on the date of the Meeting of the Board of Directors of Resulting Company 2 approving the Scheme is as under:

Share Capital	**Amount (INR)**
Authorized Share Capital 2,50,000 equity shares of INR 2 each	5,00,000
TOTAL	**5,00,000**
Issued, subscribed and paid-up Share Capital 2,50,000 equity shares of INR 2 each	5,00,000
TOTAL	**5,00,000**

3.4 The entire Share Capital of Resulting Company 1 and Resulting Company 2 are held by Demerged Company and its nominees. The equity shares of the Resulting Companies are presently not listed on any Stock Exchanges. An application shall be made with the Stock Exchanges post the effectiveness of the Scheme, for listing of the equity shares of the Resulting Companies.

4. Date of taking effect and Operative Date:

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The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT and/or other relevant regulatory/statutory/governmental authorities shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART B

TRANSFER AND VESTING OF THE VERTICAL A UNDERTAKING FROM THE DEMERGED COMPANY INTO RESULTING COMPANY 1

5. Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2 (35) of the Income Tax Act, 2025, all assets, permits, contracts, liabilities, loan, duties and obligations of the Vertical A Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 1 on a going concern basis, so as to become as and from the Appointed Date, the assets, permits, contracts, liabilities, loan, duties and obligations of the Resulting Company 1 by virtue of operation of law, and in the manner provided in this Scheme.

6. Without prejudice to the generality of the provisions as mentioned above, the manner of transfer of the Vertical A Undertaking under this Scheme, is as follows:

6.1 <u>Transfer and Vesting of Assets of the Vertical A Undertaking:</u>

i) Any and all assets relating to the Vertical A Undertaking, as are movable in nature or incorporeal property including Intellectual Property and its rights thereto or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by the Demerged Company, upon the coming into effect of the Scheme, and shall become the property of Resulting Company 1 as an integral part of the Vertical A Undertaking with effect from the Appointed Date, pursuant to the provisions of Sections 230 - 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same. All receivables, actionable claims, bills, credits, loans and advances, investments including investment in Artimas Fashions Private Limited, earnest money deposits, security deposits, recoverable in cash or kind, and deposits with any governmental authority, statutory body or other Person relating to the Vertical A Undertaking shall stand transferred to and vested in Resulting Company 1.

ii) The immovable properties pertaining to the Vertical A Undertaking including leasehold rights, tenancy rights, easements and rights appurtenant thereto shall stand transferred to Resulting Company 1 on as-is-where-is-what-is basis automatically without requirement of execution of any further documents for registering the name of Resulting Company 1 as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar etc., may rely on the Scheme along with the copy of the order passed by the NCLT, to make necessary mutation and/or substitution entries and changes in the land or revenue records to

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reflect the name of Resulting Company 1 as owner of such immovable properties. All security interests, charges, encumbrances, hypothecations or liens over the assets of the Vertical A Undertaking and all corresponding rights, privileges and obligations relating thereto shall also stand transferred to Resulting Company 1 in accordance with the terms of this Scheme hereof without any further act or deed to be done or executed by the Demerged Company and/or Resulting Company 1. It is clarified that the Resulting Company 1 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.

iii) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, registrations or approvals relating to the Demerged Company required exclusively to carry on operations in the Vertical A Undertaking shall stand vested in or transferred to Resulting Company 1 without any further act, deed, cost or charge and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Resulting Company 1.

iv) Any assets acquired by Vertical A of the Demerged Company during the Pendency Period shall upon the coming into effect of this Scheme shall stand transferred to and vested in or be deemed to have been transferred to or vested in Resulting Company 1 without any further act, instrument or deed.

v) With effect from the Appointed Date and upon the Scheme becoming effective, all bank accounts and demat accounts operated or entitled to be operated by the Demerged Company relating exclusively to the Vertical A Undertaking shall stand transferred to Resulting Company 1, and where applicable, the name of the Demerged Company shall be substituted by the name of Resulting Company 1 in the records of the relevant bank or Depository Participant. Resulting Company 1 shall be entitled to operate all such accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of Resulting Company 1.

vi) On and from the Effective Date, all cheques and other negotiable instruments, electronic fund transfers (NEFT, RTGS etc.) and payment orders received in the name of the Demerged Company and relating to the Vertical A Undertaking shall be accepted by the bankers of Resulting Company 1 and credited to the account of Resulting Company 1.

vii) With effect from the Appointed Date and upon the Scheme becoming effective, all Intellectual Property and rights thereto of the Demerged Company that exclusively related to the Vertical A Undertaking, whether registered or unregistered, licensed and assigned along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, service marks, copyrights, moral rights and related rights, patents, designs, trademarks, domain names (including www.luxinnerwear.com, www.onninternational.com, www.luxcozi.com), telephone number (including 40402121), software

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licences, all other records relating to the Vertical A Undertaking, and all other interests relating to the goods or services being dealt with by Demerged Company exclusively in relation to the Vertical A Undertaking shall become the property of and stand vested in Resulting Company 1.

viii) With effect from the Appointed Date and upon the Scheme becoming effective, all Permits held or availed of by, and all rights and benefits that have accrued to, the Demerged Company in relation to or in connection with the Vertical A Undertaking shall be transferred to and vested in Resulting Company 1, without any further act, instrument or deed or acknowledgement by any third party, and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of Resulting Company 1 as if the same were originally issued to or executed in favour of Resulting Company 1. If the consent or approval of any licensor or authority is required to give effect to the provisions of this sub-clause, each of the Resulting Company 1 and/or Demerged Company shall undertake necessary steps as may be applicable to ensure that the said licensor or authority makes and duly records the necessary substitution/endorsement in the name of the Resulting Company 1.

ix) The past track record of the Demerged Company in relation to the Vertical A Undertaking, including without limitation the technical qualifications, accreditations, pre-qualifications, credentials, work experience, profitability, assets, liabilities, goodwill and market share, shall be deemed to be the track record of Resulting Company 1 for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of Resulting Company 1 in all existing and future bids, tenders and contracts.

x) Upon this Scheme coming into effect, all authorisations, delegations of authority, resolutions and powers of attorney passed or executed by the Demerged Company relating to the Vertical A Undertaking that are valid and subsisting on the Effective Date shall stand novated and be deemed to continue to be valid and subsisting and be considered as resolutions and powers of attorney passed or executed by Resulting Company 1 without any further act, instrument or deed, until such time as fresh resolutions are passed or powers of attorney are executed by Resulting Company 1 and if any resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company 1, and shall constitute the aggregate of the said limits in the Resulting Company 1. Simultaneously, and with effect from the Effective Date every such power of attorney, authorisation, delegation and resolution shall, as against the Demerged Company, stand revoked and cancelled without any further act, instrument or deed, and no such person shall thereafter have or purport to exercise any authority to act for, represent, sign, file, appear on behalf of, or otherwise bind the Demerged Company by virtue thereof;

xi) Upon the scheme becoming effective, all existing documents, statutory registers, records, contracts, agreements, books of accounts etc as per applicable law relating to Vertical A Undertaking shall be in the sole and exclusive possession, custody and control of Resulting Company 1, and the Demerged Company shall have no possession, custody, control or right of access in respect thereof and such records shall be shared with Demerged Company on a need basis for compliance purposes. Such maintenance of statutory registers, records, contracts, agreements, books of accounts, etc shall be deemed to be in compliance with the requirements of the Applicable Laws for the Demerged Company.

xii) Notwithstanding the fact that vesting of the Vertical A Undertaking occurs by virtue of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Demerged Company in relation to the Vertical A Undertaking in favour of the Resulting Company 1, the Boards of the Demerged Company and the Resulting Company 1 may at any time on or after the Effective Date, 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 the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company 1 shall subject to the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company or require any such writings from the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company for the limited purposes of giving effect to the Scheme. It is clarified that the aforesaid shall only be restricted to acts, deeds and things exclusively in respect of Vertical A Undertaking and to give effect to this Scheme in its letter and spirit. It is further clarified that the aforesaid shall not, in any manner, create any liability or financial obligation on the Demerged Company and/or entitle the Resulting Company 1 to take any action for and on behalf of the Demerged Company in relation to the Vertical B Undertaking or Vertical C Undertaking or any Common Asset or Common Liabilities.

xiii) Notwithstanding the generality of the foregoing provisions, all electricity, water, telephone and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Vertical A Undertaking, together with related security deposits and all other advances paid, shall stand transferred in favour of the Resulting Company 1 on the same terms and conditions by operation of law and without any further act, instrument, deed, matter or thing being made, done or executed. The Resulting Company 1 shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such

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companies, boards, agencies and authorities in respect of the Vertical A Undertaking.

xiv) Notwithstanding Clause 6.1 (xi) above, all records maintained at various facilities of LIL which are demarcated for Vertical A Undertaking but may relate to activities carried out by Vertical B Undertaking or Vertical C Undertaking or Common Assets or Common Liabilities prior to the Effective Date shall be preserved at such facilities by Vertical A as per statutory timelines and shall be shared promptly and without any delay, with the other Verticals on a need basis for compliance purposes.

6.2 Transfer of Debts and Liabilities of Vertical A Undertaking:

i) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description (whether recorded or unrecorded) attributable to the Vertical A Undertaking and undertaken by the Demerged Company shall, without any further act or deed, be transferred to, or be deemed to be transferred to, Resulting Company 1 so as to become the debts, liabilities, contingent liabilities, duties and obligations of Resulting Company 1 on the same terms and conditions and the Resulting Company 1 undertakes to meet, discharge and satisfy the same. Further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme.

ii) Without prejudice to the aforesaid, all borrowings including fund-based and non-fund-based limits sanctioned by the lenders to the Demerged Company relating to the Vertical A Undertaking of Demerged Company will be allocated and transferred to the Resulting Company 1.

iii) All liabilities and obligations relating to or arising from the Vertical A Undertaking, whether accruing before, or after the Appointed Date, shall stand transferred to and vest in Resulting Company 1 with effect from the Appointed Date and Resulting Company 1 shall assume full responsibility for the same.

iv) Any contingent liabilities pertaining to the Vertical A Undertaking existing as on the Appointed Date shall be transferred to Resulting Company 1 and contingent liabilities arising after the Appointed Date with respect to any transaction business undertaken by Vertical A Undertaking shall be assumed by Resulting Company 1. Further, all past and future dues, demands, statutory liabilities in relation to Vertical A Undertaking whether or not accrued, identified, crystallised, shall be transferred/ borne by Resulting Company 1 including any expenses thereon and the Demerged Company shall have no liability/obligation.

v) Where any of the liabilities and obligations relating to the Vertical A Undertaking which could not be transferred to Resulting Company 1 by

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reason of Applicable Laws or otherwise and need to be discharged by the Demerged Company after Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company 1 and the Resulting Company 1 shall meet and discharge the liability through Demerged Company by making the necessary funds available to the Demerged Company. The Resulting Company 1 shall be liable for all consequences arising of such liabilities and shall keep indemnified the Demerged Company.

vi) All past and future dues, demands, liabilities in relation to the immovable properties pertaining to Vertical A Undertaking, whether or not accrued, identified, crystallised or not, shall be transferred/borne by Resulting Company 1 as if such liabilities were always the liabilities/obligations of Resulting Company 1. In case any such liability cannot be transferred and arises on the Demerged Company, then the Resulting Company 1 shall provide necessary funds to meet such liability and keep the Demerged Company indemnified.

vii) Transfer of Common Assets and Common Liabilities: Where any Common Asset or Common Liability cannot be so transferred on the Effective Date by reason of Applicable Laws or otherwise, it shall continue to be held or borne by the Demerged Company, which shall hold the same in trust for and on behalf of the Resulting Company 1, under the allocation as agreed, and shall deal with it only as they may jointly decide. Until the transfer is completed: (a) if any amount, credit, refund or other benefit is realised in respect of a Common Asset, the Demerged Company shall pass on the share of the Resulting Company 1 thereof within 7 (seven) Business Days of realisation; and (b) if any Common Liability crystallises and is to be discharged by the Demerged Company, the Resulting Company 1 shall make necessary funds available to the Demerged Company prior to the discharge of such liability by the Demerged Company. Any expenses incurred in administering any Common Asset or Common Liability during this period shall be borne in the agreed proportion.

6.3 <u>Encumbrances relating to Vertical A Undertaking:</u>

i) The vesting of the assets comprised in the Vertical A Undertaking into Resulting Company 1 upon coming into effect of this Scheme shall be subject to the Encumbrances, if any, affecting the same, as and to the extent hereinafter provided.

ii) In so far as the existing Encumbrances in respect of the liabilities forming part of the Vertical A Undertaking are concerned, such Encumbrances shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets comprised in the Vertical A Undertaking to which such liability relates. Such Encumbrances shall not relate to or attach to any other assets of Resulting Company 1. Where any existing cross charge operates over assets of both the Vertical A Undertaking and that of the Vertical B Undertaking or

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Vertical C Undertaking, such cross charge shall, to the extent it attaches to the assets of the Vertical A Undertaking be deemed to relate exclusively to the Liabilities of the Vertical A Undertaking assumed by Resulting Company 1 and shall stand released from the Vertical B Undertaking or Vertical C Undertaking, as applicable.

iii) In so far as the assets of the Vertical B Undertaking or the Vertical C Undertaking are concerned, the Encumbrances over such assets relating to any liabilities forming part of the Vertical A Undertaking shall, without any further act, instrument or deed and without the consent of the third party, stand released and discharged from the Appointed Date. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of this clause.

iv) Currently, certain securities including primary security, secondary security and personal guarantees (*cumulatively,* "**Securities**") have been provided to a consortium of banks by the Demerged Company which spans across Vertical A Undertaking, Vertical B Undertaking and Vertical C Undertaking. With effect from the Appointed Date or during the Implementation Period, all such Securities shall be realigned and apportioned such that:

a) the portion of such Security attributable to the Vertical A Undertaking shall attach exclusively to the assets and obligations of Resulting Company 1 and shall stand released and discharged from any obligations of Resulting Company 2 in respect of the Vertical C Undertaking;

b) the portion of such Security attributable to the Vertical A Undertaking shall attach exclusively to the assets and obligations of Resulting Company 1 and shall stand released and discharged from any obligations of Demerged Company in respect of the Vertical B Undertaking;

c) the portion of such Security attributable to the Vertical B Undertaking shall attach exclusively to the assets and obligations of Demerged Company and shall stand released and discharged from any obligations of Resulting Company 1 in respect of the Vertical A Undertaking.

v) Any reference to the Demerged Company and assets which pertains to Vertical A Undertaking, in any security document or arrangement relating to the Vertical A Undertaking shall be construed as a reference to Resulting Company 1. The Demerged Company and Resulting Company 1 may file modification of charge with the relevant RoC to give formal effect to the provisions of this Clause.

6.4 <u>Issue of Shares of the Resulting Company 1:</u>

i) Upon this Scheme becoming effective and upon the demerger, transfer

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and vesting of the Vertical A Undertaking from the Demerged Company into Resulting Company 1 in terms of this Scheme, Resulting Company 1 shall, without any further application, act or deed, issue and allot 1 (One) fully paid-up Resulting Company 1 New Shares of INR 2 (Rupees Two only) each for every 1 (One) fully paid-up equity share(s) of INR 2 (Rupees Two only) each held in the Demerged Company, to each member of the Demerged Company whose name is recorded in the register of members and records of the depository as a shareholder of the Demerged Company as on the relevant Record Date (**"Vertical A Share Entitlement Ratio"**). The allotment of Resulting Company 1 New Shares shall not extinguish or reduce the existing shareholding of such members in the Demerged Company - shareholders shall continue to hold their LIL shares in addition to receiving Resulting Company 1 New Shares. The Vertical A Share Entitlement Ratio has been determined by Mr. Vivek Newatia, an independent registered valuer, pursuant to a valuation report dated 31 August 2026, a copy of which is available on the website of the Demerged Company.

ii) Subject to Applicable Laws, the Resulting Company 1 New Shares to be issued in terms of this Scheme shall mandatorily be issued in dematerialized form. Shareholders who hold shares of the Demerged Company in dematerialized form shall receive the Resulting Company 1 New Shares into the account in which shares of the Demerged Company are held, or such other account as is intimated in writing by such shareholders to the Demerged Company, provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date.

iii) Shareholders who hold shares of the Demerged Company in physical form shall receive the Resulting Company 1 New Shares in dematerialized form, provided that the details of their depository participant account are intimated in writing to the Demerged Company and/or its RoC at least 7 (seven) days before the Record Date. In the event no such intimation is received from any such shareholder within the aforesaid period, the Resulting Company 1 shall keep such shares in abeyance / escrow account / with a trustee nominated by the Board of the Resulting Company 1 / held in trust for the benefit of such shareholders, or shall be dealt with as provided under Applicable Laws, and shall be credited to the respective depository participant accounts of such shareholders as and when the requisite details are intimated in writing to the Resulting Company 1 and/or its RoC, if permitted under Applicable Laws.

iv) The equity shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company 1.

v) The Resulting Company 1 New Shares to be issued by the Resulting

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Company 1 in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund.

vi) The Resulting Company 1 New Shares to be issued pursuant to this Scheme shall be subject to the provisions of this Scheme, the memorandum and articles of association of Resulting Company 1, and shall rank *pari passu* in all respects with the then existing equity shares of Resulting Company 1, including with respect to dividends, voting rights and other corporate benefits attached to the equity shares of Resulting Company 1.

vii) In the event of any change in the issued, subscribed or paid-up share capital of the Demerged Company and/or Resulting Company 1 prior to the Record Date, whether by way of increase, reduction, issuance of instruments convertible into equity shares, or any restructuring of the equity share capital including by way of share split, consolidation, issue of bonus shares or any other similar corporate action, other than as contemplated under this Scheme, the Vertical A Share Entitlement Ratio shall be appropriately adjusted, and such adjustment shall be subject to approval by the Boards of Directors of both the Demerged Company and Resulting Company 1.

viii) The equity shares to be issued by Resulting Company 1 to the members of the Demerged Company pursuant to Clause 6.4 (i) of this Scheme will be listed and/or admitted to trading on the Stock Exchanges in terms of applicable SEBI regulations and other Applicable Laws. The costs and expenses incurred for listing of Resulting Company 1 shall be shared by all the Verticals in the ratio of 2:2:1, respectively.

ix) The equity shares of Resulting Company 1 allotted pursuant to the Scheme shall remain frozen in the depository system till listing and trading permission is given by the Stock Exchange(s). There shall be no change in the shareholding pattern or control in Resulting Company 1 between the Record Date and the date of listing/trading permission given by Stock Exchanges.

x) The issue and allotment of shares by the Resulting Company 1 to the shareholders of the Demerged Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of Resulting Company 1 or its shareholders and as if the procedure laid down under Section 62 of the Act and other provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.

6.5 <u>Reduction and Cancellation of Entire Pre-Scheme Share Capital of Resulting Company 1</u>

i) Upon allotment of the Resulting Company 1 New Shares pursuant to this Scheme, the entire pre-Scheme paid-up share capital of Resulting

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Company 1 shall, without any further act, instrument or deed, stand cancelled and extinguished without payment of any consideration thereof, and such cancellation shall be treated as a reduction of share capital of Resulting Company 1 in accordance with Sections 230 to 232 of the Act, as an integral part of this Scheme.

ii) Consequent to such cancellation, Resulting Company 1 shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company 1 cancelled shares and credit an equivalent amount to its capital reserve account and/or securities premium account, as may be determined by the Board of Directors of Resulting Company 1 in accordance with Applicable Laws.

iii) It is hereby clarified that the approval of the members of Resulting Company 1 to this Scheme shall be deemed to constitute their consent and approval for the reduction of share capital of Resulting Company 1 under the applicable provisions of the Act, and no separate consent or approval shall be required for this purpose.

iv) Notwithstanding the reduction of share capital of Resulting Company 1 pursuant to this Scheme, Resulting Company 1 shall not be required to append the words "And Reduced" as a suffix to its name.

6.6 **Accounting Treatment**

i) **Accounting Treatment in the books of Demerged Company**

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall give effect to the demerger of Vertical A Undertaking in its books of account in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and generally accepted accounting principles in India:

a) All the assets and liabilities of the Demerged Company pertaining to the Vertical A Undertaking, being transferred to the Resulting Company 1, shall be reduced from the books of accounts of the Demerged Company at their respective book values / carrying values after the close of business hours on the day immediately preceding the Appointed Date.

b) The Capital Redemption Reserve, Securities Premium, Capital Reserve, General Reserve and Retained Earnings after the close of business hours on the day immediately preceding the Appointed Date, shall be apportioned between Demerged Company, Resulting Company 1 and Resulting Company 2 in the same proportion in which net assets have been transferred the Resulting Company 1 and Resulting Company 2 and net assets retained by the Demerged Company.

c) Pursuant to Clause 6.5 of this Scheme, the Investment in Resulting

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Company 1 shall stand cancelled without any further act or deed, and the corresponding amount shall be adjusted against the General Reserve of the Demerged Company.

d) Inter-company balances (including borrowings, loans, advances, payables, and receivables) outstanding between the Vertical A Undertaking of the Demerged Company and the Resulting Company 1, if any, as on the Appointed Date shall stand cancelled without any further act or deed, and the Resulting Company 1 shall pass appropriate entries to eliminate such balances against the corresponding accounts.

e) The excess deficit, if any, of the book value of the assets over the book value of the liabilities and reserves of the Demerged Company pertaining to the Vertical A Undertaking, which have been transferred to the Resulting Company 1 pursuant to this Scheme, shall be adjusted against the reserves in the financial statements of the Demerged Company as drawn up in compliance with the Scheme and applicable accounting standards/ IND AS of the Demerged Company.

f) Notwithstanding anything above, the Board of Directors of the Demerged Company is authorized to account for any of the above-mentioned transactions or any matter not dealt with under this clause in accordance with the applicable accounting standards / IND AS and generally accepted accounting principles.

ii) **Accounting Treatment in the books of Resulting Company 1**

Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company 1 shall account for the Scheme in its books of account in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and generally accepted accounting principles in India:

a) The Resulting Company 1 shall record the assets, liabilities and reserves pertaining to the Vertical A Undertaking vested in it pursuant to this Scheme, at their respective book values / carrying values as appearing in the books of the Demerged Company after the close of business hours on the day immediately preceding the Appointed Date.

b) The identity of the reserves, shall be preserved, and they shall appear in the financial statements of the Resulting Company 1 in the same form in which they appeared in the financial statements of the Demerged Company

c) The share capital of the Resulting Company 1 held by the Demerged Company shall stand cancelled without any further act

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or deed. The Resulting Company 1 shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by the Demerged Company in the Resulting Company 1, which stand cancelled and the same shall be credited to the Capital Reserve of the Resulting Company 1.

d) The Resulting Company 1 shall issue and allot equity shares to the shareholders of the Demerged Company in accordance with Clause 6.4(i) above and credit the aggregate face value of such equity shares to its Share Capital Account.

e) The Resulting Company 1 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 1, whichever is later, as per applicable Indian Accounting Standards.

f) Inter-company balances (including borrowings, loans, advances, payables, and receivables) outstanding between the Vertical A Undertaking of the Demerged Company and the Resulting Company 1, if any, as on the Appointed Date shall stand cancelled without any further act or deed, and the Resulting Company 1 shall pass appropriate entries to eliminate such balances against the corresponding accounts.

g) The excess/deficit, if any of the net value of assets, liabilities, and reserves of the Vertical A Undertaking of the Demerged Company acquired and recorded by the Resulting Company 1 over the amount recorded as share capital issued shall be credited or debited, as the case may be, to the reserves in the financial statements of the Resulting Company 1;

h) In case of any difference in the accounting policies between the Demerged Company and the Resulting Company 1, the accounting policies followed by the Resulting Company 1 shall prevail and the difference, if any, will be quantified and shall be adjusted in the Reserves, to ensure that the financial statements of the Resulting Company 1 reflect the financial position on the basis of consistent accounting policy;

i) Notwithstanding anything above, the Board of Directors of the Demerged Company is authorized to account for any of the above-mentioned transactions or any matter not dealt with under this clause in accordance with the applicable accounting standards / IND AS and generally accepted accounting principles.

6.7 **Direct Tax**: Pursuant to the Scheme coming into effect and with effect from the Appointed Date:

i) All direct tax related benefits whether ascertained or unascertained, disputed, or undisputed, present or future including contingent,

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exclusively relating to the Vertical A Undertaking, under applicable tax laws and whether provided or not provided for in the accounts as on the date immediately preceding the Appointed Date, shall stand transferred to and become the assets of the Resulting Company 1.

ii) Notwithstanding anything contained in Clause 6.7(i) above, all direct tax related benefits including TDS ,TCS, MAT credits (to the extent remaining unutilised on the Effective Date and if transferable), income tax benefits and losses, and other benefits, exemptions or privileges enjoyed or granted by any Appropriate Authority to the Demerged Company exclusively in relation to the Vertical A Undertaking, shall together with any corresponding obligations, without any further act or deed or acknowledgement by any third party, shall be available to and vest in Resulting Company 1 on the same terms and conditions as if all such benefits, exemptions and entitlements had arisen to and were always the benefits, exemptions and/ or entitlements of the Resulting Company 1. Any surplus in provisioning for direct taxation stated above, including advance tax, self-assessment tax, credit relatable to the Vertical A Undertaking, shall likewise stand transferred to and vest in the Resulting Company 1. In case of any shortfall, adequate provisions shall be made by the Vertical A Undertaking in the Demerged Company.

iii) If any such asset, credit, refund, surplus, receivable or benefit as stated in Clause 6.7(ii) above, cannot be transferred or vested in Resulting Company 1 for any reason, the Demerged Company shall hold, claim, realise or utilise the same for and on behalf of Resulting Company 1 and pass on the economic benefit thereof to Resulting Company 1.

iv) All direct tax liabilities including interest, penalty or obligations, whether ascertained or unascertained, disputed or undisputed, present or future including contingent, exclusively relating to the Vertical A Undertaking, under applicable tax laws and whether provided or not provided for in the accounts as on the date immediately preceding the Appointed Date, shall, without any further act or deed or acknowledgement by any third party, stand transferred to and become the liabilities of the Resulting Company 1, as if such liabilities were always the liabilities/obligations of Resulting Company 1. Any such liabilities, interest, penalty or obligation relatable to the Vertical A Undertaking, whether arising before or after the Effective Date, if cannot be transferred to Resulting Company 1 for any reason whatsoever, the Resulting Company 1 shall meet and discharge the liability through Demerged Company by making the necessary funds available to the Demerged Company. Resulting Company 1 shall be liable for all consequences arising of such liabilities and shall keep indemnified the Demerged Company. Any incidental costs, expenses to be incurred in relation to and defending such liabilities shall be borne by Resulting Company 1.

v) All obligations, if any, for payment of all direct taxes to Appropriate Authorities under Applicable Laws relating to direct tax of the Demerged Company in relation to the Vertical A Undertaking shall be deemed to be

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the obligations of the Resulting Company 1.

vi) All proceedings, including assessments, reassessments, appeals, revisions, rectifications, audits, investigations, recovery proceedings or other proceedings of whatsoever nature, by or against the Demerged Company under the Direct Tax laws, including Income-tax Act, 1961 (or the Income-tax Act, 2025) either pending on the Effective Date or arising subsequently, and exclusively relatable to Vertical A Undertaking shall be continued and enforced by or against the Resulting Company 1 in the same manner and to the same extent as they would have been against the Demerged Company.

vii) Each company shall be entitled to revise its returns, statements of tax deducted at source and related filings, and to claim refunds, credits and deductions, as may be necessary to give effect to this Scheme, notwithstanding that the statutory period for such revision may have lapsed.

6.8 **Indirect Tax**: With effect from the Appointed Date:

i) All indirect tax related benefits whether ascertained or unascertained, disputed or undisputed, present or future including contingent, exclusively relating to the Vertical A Undertaking, under applicable tax laws and whether provided or not provided for in the accounts as on the date immediately preceding the Appointed Date, shall stand transferred to and become the assets of the Resulting Company 1.

ii) Notwithstanding anything contained in Clause 6.8 (i) above, all incentives(including production linked incentives, export incentives under the EPCG scheme), subsidies, exemptions, remissions, reductions, all indirect tax related benefits including GST benefits, all indirect tax related assets and credits including GST input tax credits relating to Vertical A and accumulated thereafter, and other benefits, exemptions or privileges enjoyed or granted by any Appropriate Authority to the Demerged Company exclusively in relation to the Vertical A Undertaking, shall together with any corresponding obligations, without any further act or deed or acknowledgement by any third party, shall be available to and vest in Resulting Company 1 on the same terms and conditions as if all such incentives, exemptions and entitlements had arisen to and were always the incentives and entitlements of the Resulting Company 1. It is expressly clarified that no input tax credit relating to the Vertical A Undertaking shall lapse, expire or be forfeited merely on account of the Demerger, and the Resulting Company 1 shall be entitled to utilise such credit in accordance with GST laws.

iii) All GST registrations related exclusively to Vertical A Undertaking, and consequential electronic credit ledger balances, electronic cash ledger balances and all eligible input tax credit shall, subject to the provisions of GST laws, stand transferred to and vest in the Resulting Company 1.

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iv) Wherever applicable, all the transfers as contemplated under this Clause 6.8 shall be effected by the Demerged Company through filing of requisite forms/documents with the relevant Appropriate Authority in terms of Clause 13.3. The Demerged Company and the Resulting Company 1 shall take all necessary actions under applicable indirect tax laws to effect such transfer.

v) If any such asset, credit, refund, surplus, receivable or benefit as stated in Clause 6.8 (i) to (iii) above, cannot be transferred or vested in the Resulting Company 1, then the Demerged Company shall hold the same in trust for and on behalf of the Resulting Company 1, and Demerged Company shall promptly pass on or otherwise make available the full legal and economic benefit thereof to the Resulting Company 1, in accordance with Applicable Laws without requiring any further act, deed, instrument, consent or approval, save and except such filings, declarations or procedural compliances as may be mandatorily required under Applicable Laws.

vi) All Indirect Tax liabilities including GST output tax liabilities, RCM liability, input tax credit reversal obligations, interest, penalty or obligations arising out of returns, assessments, audits, investigations, notices or proceedings relating to GST registrations which are related exclusively to Vertical A shall be the liabilities of the Resulting Company 1 whether it pertains to pre or post Appointed Date.

vii) All Indirect Tax liabilities, including GST output tax liabilities, cess, RCM liability, input tax credit reversal obligations or any such liability, interest, penalty or obligation attributable to the Vertical A Undertaking, including any tax collected but not yet remitted to the government and any pending demands, assessments or proceedings relatable to the Vertical A Undertaking shall, without any further act or deed or acknowledgement by any third party, stand transferred to and be assumed by Resulting Company 1 with effect from the Appointed Date. Any Indirect Tax liability, including GST output tax liability, RCM liability, input tax credit reversal obligation or any interest, penalty or obligation relatable to the Vertical A Undertaking, whether arising before or after the Appointed Date, if cannot be transferred to Resulting Company 1 for any reason whatsoever, the Resulting Company 1 shall meet and discharge the liability through the Demerged Company by making necessary fund available to the Demerged Company. Any incidental costs, expenses to be incurred in relation to and defending such liabilities shall be borne by Resulting Company 1. Resulting Company 1 shall be liable for all consequences arising from such liabilities and shall keep indemnified the Demerged Company. Any excess or shortfall in the Indirect Tax liabilities, including GST liabilities allocated to the Vertical A Undertaking as against the aggregate amount of Indirect Tax liabilities, including GST liabilities attributable to the Vertical A Undertaking as on the Appointed Date and accruing thereafter until the Effective Date shall be adjusted and settled between the respective Verticals separately as per a mutually agreeable mechanism.

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viii) All indirect tax liabilities including interest, penalty or any other obligation, whether ascertained or unascertained, disputed or undisputed, present or future including contingent, exclusively relating to the Vertical A Undertaking, under applicable tax laws and whether provided or not provided for in the accounts as on the date immediately preceding the Appointed Date, whether relating to a period prior to, on or after the Appointed Date and whether determined before or after the Effective Date, shall, without any further act or deed, stand transferred to and become the liabilities of the Resulting Company 1. If any such liabilities cannot be transferred for any reason, the Resulting Company 1 shall meet and discharge the liability through Demerged Company by making the necessary funds available to the Demerged Company. Resulting Company 1 shall be liable for all consequences arising out of such liabilities, interests, penalty or other obligations, and shall keep indemnified the Demerged Company.

ix) All proceedings, including assessments, reassessments, appeals, revisions, rectifications, audits, investigations, recovery proceedings or other proceedings of whatsoever nature, by or against the Demerged Company under Indirect Tax laws, including GST Laws, either pending on the Appointed Date or arising subsequently, and relatable to Vertical A Undertaking shall be continued and enforced by or against the Resulting Company 1 in the same manner and to the same extent as they would have been against the Demerged Company. Further, where any such proceedings are continued in name of Demerged Company, it would be obligated on Demerged Company to seek advise/clearance from Resulting Company 1 before making any submissions/ filings thereunder.

x) All common credits, refunds, re-credits, rebate, restorations, adjustments, claims, receivables, drawback, incentive, other tax benefits made available by any tax, GST, customs authority, or similar benefit sanctioned or otherwise made available by any other Appropriate Authority attributable to Common Assets and Common Liabilities, pursuant to any order, assessment, adjudication, appellate proceeding, refund proceeding, audit, investigation, rectification, clarification or otherwise, shall vest exclusively in, and be for the benefit of, the Demerged Company and the Resulting Company 1 in equal proportion as per mutually agreed mechanism after making relevant identified adjustments attributable to Vertical C. . The said entitlement of the Resulting Company 1 and Resulting Company 2 shall be transferred to the Resulting Company 1 and Resulting Company 2 in the same form, manner and extent in which it is ultimately received, sanctioned, or made available by the relevant authority, whether by way of cash disbursement, electronic credit, re-credit in an electronic ledger, adjustment, set-off, or otherwise operate independently of, and any transfer of such amount shall be net of, all related expenses, taxes, excess prior transfer, utilisation, adjustment, allocation, apportionment or settlement of any balance lying in the electronic credit ledger of the Demerged Company, whether undertaken pursuant to this Scheme or otherwise.

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6.9 **Residual Tax Clauses**: Save as otherwise provided above, pursuant to the Scheme coming into effect:

i) All credits, refunds, re-credits, rebate, restorations, adjustments, claims, receivables, drawback, incentive, other tax benefits made available by any tax, customs authority, or similar benefit sanctioned or otherwise made available by any other Appropriate Authority attributable exclusively to Vertical A Undertaking, whether crystallised or not, contingent, disputed, under process, under litigation, or arising pursuant to any order, assessment, adjudication, appellate proceeding, refund proceeding, audit, investigation, rectification, clarification or otherwise, shall vest exclusively in, and be for the benefit of, the Resulting Company 1. The said entitlement of the Resulting Company 1 shall be transferred promptly to the Resulting Company 1 without any further act or deed in the same form and manner in which it is ultimately received, sanctioned, or made available by the relevant authority, whether by way of cash disbursement, electronic credit, re-credit in an electronic ledger, adjustment, set-off, or otherwise operate independently of, and any transfer of such amount shall be net of, all related expenses, taxes, excess prior transfer, utilisation, adjustment, allocation, apportionment or settlement of any balance lying in the electronic credit ledger of the Demerged Company, whether undertaken pursuant to this Scheme or otherwise.

ii) Where any amount of input tax credit, refund, re-credit, restoration, adjustment, claim, receivable or other tax benefit attributable exclusively to Vertical A Undertaking cannot, whether wholly or partly, be transferred to the Resulting Company 1 in specie or through the statutory mechanism prescribed under Applicable Laws, including by reason of any restriction under the prescribed formula, portal functionality, procedural limitation, prior utilisation, prior adjustment or any position adopted by the tax authorities, the Demerged Company shall make an equivalent settlement in favour of the Resulting Company 1, to the extent received by the Demerged Company, in the same form, manner and to the extent in which it is ultimately received, sanctioned or made available by the relevant authority so as to ensure that the Resulting Company 1 receives the full legal and economic benefit thereof without requiring any further act, deed, instrument, consent or approval, save and except such filings, declarations or procedural compliances as may be mandatorily required under Applicable Laws.

iii) Where any amount of input tax credit, refund, re-credit, restoration, adjustment, claim, receivable or other tax benefit attributable exclusively to Vertical B Undertaking cannot, whether wholly or partly, be retained in the Demerged Company pursuant to this Scheme in specie or through the statutory mechanism prescribed under Applicable Laws, including by reason of any restriction under the prescribed formula, portal functionality, procedural limitation, prior utilisation, prior adjustment or any position adopted by the tax authorities, the Resulting Company 1 shall make an equivalent settlement in favour of the Demerged Company, to the extent received by the Resulting Company 1, in the same form, manner

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and to the extent in which it is ultimately received, sanctioned or made available by the relevant authority so as to ensure that the Demerged Company receives the full legal and economic benefit thereof without requiring any further act, deed, instrument, consent or approval, save and except such filings, declarations or procedural compliances as may be mandatorily required under Applicable Laws.

iv) All Common Assets and Common Liabilities made available or demanded by any tax, customs authority, or similar benefit sanctioned or otherwise made available or liability demanded by any other Appropriate Authority not attributable exclusively to any of the Verticals whether crystallised or not, contingent, disputed, under process, under litigation, or arising pursuant to any order, assessment, adjudication, appellate proceeding, refund proceeding, audit, investigation, rectification, clarification or otherwise, shall be apportioned amongst the Demerged Company and Resulting Company 1 in equal proportion as per mutually agreed mechanism after making relevant identified adjustments attributable to Vertical C. To the extent any such liability is required under Applicable Laws to be discharged by the Demerged Company or is assessed, recovered or enforced against the Demerged Company, the Resulting Companies, in proportion to their respective share of liabilities, shall make necessary funds available to discharge the liability and indemnify the Demerged Company against the same.

v) The Resulting Company 1 and Demerged Company, are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for MAT purposes and tax benefits), service tax law, central and relevant state Goods and Services Tax Act, and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits under the Applicable Laws. Such benefits include but is not limited to the amount disallowed in the hands of the Demerged Company under Section 43B or 40 (a) of the Income Tax Act, 1961 (corresponding to Section 37 or Section 35 of the Income-Tax Act, 2025, as applicable) for the financial years prior to the Appointed Date shall be eligible to be claimed by the Resulting Company 1 on fulfilment of the conditions as laid down in Sections 43B or 40 (a) of the Income Tax Act, 1961 (corresponding to Section 37 or Section 35 of the Income Tax Act, 2025, as applicable) etc and other tax laws and for matters incidental thereto, if required to give effect to the provisions of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired but without incurring any liability on account of interest, penalty or any other sum to claim refunds, advance tax credits, GST, excise and service tax credits, set off, etc, pursuant to the Scheme coming into effect. All liabilities, obligations, interest, fines, penalties (including contingent, future, accrued, crystallised, uncrystallised, known or unknown liabilities), arising pursuant to returns, assessments, reassessments, audits, investigations, notices, demands, adjudication proceedings, appeals or other proceedings, insofar as attributable to the operations, activities, transactions, assets or liabilities of the Vertical A

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Undertaking and/or Vertical C Undertaking, whether relating to a period prior to, on or after the Appointed Date and whether determined before or after the Effective Date, shall be for the account of and borne by the respective Resulting Companies. The Demerged Company shall undertake the relevant filings at the instructions, directions and cost of the respective Resulting Companies and the Demerged Company shall have no liability or financial obligation in this regard. To the extent any such liability is required under Applicable Laws to be discharged by the Demerged Company or is assessed, recovered or enforced against the Demerged Company, the Resulting Companies shall make necessary funds available to discharge the liability and shall indemnify the Demerged Company against the same.

vi) With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable by the Demerged Company relating to the Vertical A Undertaking and the Vertical C Undertaking respectively, including advance tax payments, self-assessment tax, tax deducted at source or any refunds/credits/claims relating thereto shall, for all purposes, be treated as advance tax payments, self-assessment tax, tax deducted at source or refunds/credits/claims, as the case may be, of the respective Resulting Companies.

vii) The benefit of all available accumulated tax losses including carried forward business losses and unabsorbed depreciation, if any, relating to the Vertical A Undertaking and/or the Vertical C Undertaking as on and up to the Appointed Date shall be available to the respective Resulting Companies in terms of Section 116 of the Income Tax Act, 2025 (corresponding to section 72A of the Income-tax Act, 1961). Where such loss or unabsorbed depreciation is not directly relatable to the relevant Undertaking, it shall be apportioned between the Demerged Company and the respective Resulting Company in accordance with the provisions of the Income Tax Act.

6.10 **Employees, Staffs and Workers of Vertical A:**

i) On the Scheme becoming operative, all Transferring Employees of the Demerged Company pertaining to the Vertical A Undertaking in service on the Appointed Date shall be deemed to have become Employees of Resulting Company 1 on and from the Appointed Date without any break in their service and on the basis of continuity of service. The terms and conditions of their employment with the Resulting Company 1 shall not be less favourable than those applicable to them with reference to their employment in the Demerged Company. The Resulting Company 1 shall abide by any subsisting agreement or settlement entered into by the Demerged Company with any Transferring Employee or employee representative body or union.

ii) Upon the Scheme becoming effective, all liabilities and obligations pertaining to the Employees of the Demerged Company relatable to the Vertical A Undertaking, including but not limited to liabilities on account of salaries, wages, bonus, gratuity, leave encashment, retrenchment compensation, and any other

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retirement or terminal benefits, whether accrued, contingent or otherwise, shall stand transferred to and vested in Resulting Company 1, and Resulting Company 1 shall be solely responsible for the discharge of all such liabilities and obligations from the Appointed Date. The Demerged Company shall not retain any liability in respect of such Transferring Employees upon the Scheme becoming effective.

iii) If any liability, payment, settlement, compensation, penalty, cost or expense or any litigation is pending in relation to any Employees whether in employment or was employed under the Vertical A, the same shall be borne by Resulting Company 1 and Resulting Company 1 shall be solely responsible for the discharge of all such liabilities and obligations and the Demerged Company shall not have any liability.

6.11 **Provident Fund**: Upon the Scheme becoming effective, the accumulated balances standing to the credit of the Transferring Employees in the existing provident fund accounts established by the Demerged Company with the EPFO shall be transferred to provident fund accounts established by the Resulting Company 1 with the EPFO. The Resulting Company 1 shall stand substituted for the Demerged Company for all EPFO compliance purposes whatsoever related to the administration or operations of such fund or in relation to the obligations to make contribution to the said fund. Pending the formal transfer of the aforesaid provident fund contributions and dues in respect of the Transferring Employees relating to Vertical A pursuant to this Scheme shall continue to be deposited in the existing provident fund accounts of the Demerged Company, as applicable, in accordance with law, and shall after the Effective Date be appropriately transferred or adjusted in favour of the Resulting Company 1.

6.12 **Pension Fund**: Upon the Scheme becoming effective, the accumulated balances or contributions in respect of the Transferring Employees in the existing pension fund accounts established by the Demerged Company with the EPFO shall be transferred to the Resulting Company 1 and dealt with in accordance with the Employees' Pension Scheme, 1995 and the Resulting Company 1 shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operations of such scheme or fund or in relation to the obligations to make contribution to the said fund.

PART C

TRANSFER AND VESTING OF THE VERTICAL C UNDERTAKING FROM THE DEMERGED COMPANY INTO RESULTING COMPANY 2

7. Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(35) of the Income Tax Act, 2025, all assets, permits, contracts, liabilities, loan, duties and obligations of the Vertical C Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 2 on a going concern basis, so as to become as and from the Appointed Date, the assets, permits, contracts, liabilities, loan, duties and obligations of the Resulting Company 2 by virtue of operation of law, and in the manner provided in this Scheme.

8. Without prejudice to the generality of the provisions as mentioned above, the manner of

transfer of the Vertical C Undertaking under this Scheme, is as follows:

8.1 **Transfer and Vesting of Assets of the Vertical C Undertaking:**

i) Any and all assets relating to the Vertical C Undertaking, as are movable in nature or incorporeal property including Intellectual Property and its rights thereto or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by the Demerged Company, upon the coming into effect of the Scheme, and shall become the property of Resulting Company 2 as an integral part of the Vertical C Undertaking with effect from the Appointed Date, pursuant to the provisions of Sections 230 - 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same. All receivables, actionable claims, bills, credits, loans and advances, investments, earnest money deposits, security deposits, recoverable in cash or kind, and deposits with any governmental authority, statutory body or other Person relating to the Vertical C Undertaking shall stand transferred to and vested in Resulting Company 2.

ii) The immovable properties pertaining to the Vertical C Undertaking including leasehold rights, tenancy rights, easements and rights appurtenant thereto shall stand transferred to Resulting Company 2 on as-is-where-is-what-is basis automatically without requirement of execution of any further documents for registering the name of Resulting Company 2 as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar etc., may rely on the Scheme along with the copy of the order passed by the NCLT, to make necessary mutation and/or substitution entries and changes in the land or revenue records to reflect the name of Resulting Company 2 as owner of such immovable properties. All security interests, charges, encumbrances, hypothecations or liens over the assets of the Vertical C Undertaking and all corresponding rights, privileges and obligations relating thereto shall also stand transferred to Resulting Company 2 in accordance with the terms of this Scheme hereof without any further act or deed to be done or executed by the Demerged Company and/or Resulting Company 2. It is clarified that the Resulting Company 2 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.

iii) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, registrations or approvals relating to the Demerged Company required exclusively to carry on operations in the Vertical C Undertaking shall stand vested in or transferred to Resulting Company 2 without any further act, deed, cost or charge and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Resulting Company 2.

iv) Any assets acquired by the Vertical C of the Demerged Company during the Pendency Period shall upon the coming into effect of this Scheme shall stand transferred to and vested in or be deemed to have been transferred

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to or vested in Resulting Company 2 without any further act, instrument or deed.

v) With effect from the Appointed Date and upon the Scheme becoming effective, all bank accounts and demat accounts operated or entitled to be operated by the Demerged Company relating exclusively to the Vertical C Undertaking shall stand transferred to Resulting Company 2, and where applicable, the name of the Demerged Company shall be substituted by the name of Resulting Company 2 in the records of the relevant bank or Depository Participant. Resulting Company 2 shall be entitled to operate all such accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of Resulting Company 2.

vi) On and from the Effective Date, all cheques and other negotiable instruments, electronic fund transfers (NEFT, RTGS etc.) and payment orders received in the name of the Demerged Company and relating to the Vertical C Undertaking shall be accepted by the bankers of Resulting Company 2 and credited to the account of Resulting Company 2.

vii) With effect from the Appointed Date and upon the Scheme becoming effective, all Intellectual Property and rights thereto of the Demerged Company that exclusively related to the Vertical C Undertaking, whether registered or unregistered, licensed and assigned along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, service marks, copyrights, moral rights and related rights, patents, designs, trademarks, domain names (including www.luxglobal.co.in), telephone number (including 0421-4246060), software licences, all other records relating to the Vertical C Undertaking, and all other interests relating to the goods or services being dealt with by Demerged Company exclusively in relation to the Vertical C Undertaking shall become the property of and stand vested in Resulting Company 2.

viii) With effect from the Appointed Date and upon the Scheme becoming effective, all Permits held or availed of by, and all rights and benefits that have accrued to, the Demerged Company in relation to or in connection with the Vertical C Undertaking shall be transferred to and vested in Resulting Company 2, without any further act, instrument or deed or acknowledgement by any third party, and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of Resulting Company 2 as if the same were originally issued to or executed in favour of Resulting Company 2. If the consent or approval of any licensor or authority is required to give effect to the provisions of this sub-clause, each of the Resulting Company 2 and/or Demerged Company shall undertake necessary steps as may be applicable to ensure that the said licensor or authority makes and duly records the necessary substitution/endorsement in the name of the Resulting Company 2.

ix) The past track record of the Demerged Company in relation to the Vertical C Undertaking, including without limitation the technical qualifications, accreditations, pre-qualifications, credentials, work experience,

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profitability, assets, liabilities, goodwill and market share, shall be deemed to be the track record of Resulting Company 2 for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of Resulting Company 2 in all existing and future bids, tenders and contracts.

x) Upon this Scheme coming into effect, all authorisations, delegations of authority, resolutions and powers of attorney passed or executed by the Demerged Company relating to the Vertical C Undertaking that are valid and subsisting on the Effective Date shall stand novated and be deemed to continue to be valid and subsisting and be considered as resolutions and powers of attorney passed or executed by Resulting Company 2 without any further act, instrument or deed, until such time as fresh resolutions are passed or powers of attorney are executed by Resulting Company 2 and if any resolution have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company 2, and shall constitute the aggregate of the said limits in the Resulting Company 2. Simultaneously, and with effect from the Effective Date every such power of attorney, authorisation, delegation and resolution shall, as against the Demerged Company, stand revoked and cancelled without any further act, instrument or deed, and no such person shall thereafter have or purport to exercise any authority to act for, represent, sign, file, appear on behalf of, or otherwise bind the Demerged Company by virtue thereof;

xi) Upon the scheme becoming effective, all existing documents, statutory registers, records, contracts, agreements, books of accounts etc as per Applicable Laws relating to Vertical C Undertaking shall be in the sole and exclusive possession, custody and control of Resulting Company 2, and the Demerged Company shall have no possession, custody, control or right of access in respect thereof and such records shall be shared with Demerged Company on a need basis for compliance purposes. Such maintenance of statutory registers, records, contracts, agreements, books of accounts, etc shall be deemed to be in compliance with the requirements of the Applicable Laws for the Demerged Company.

xii) Notwithstanding the fact that vesting of the Vertical C Undertaking occurs by virtue of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Demerged Company in relation to the Vertical C Undertaking in favour of the Resulting Company 2, the Boards of the Demerged Company and the Resulting Company 2 may at any time on or after the Effective Date, in accordance with the provisions hereof if so required under any Applicable Laws 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 the Demerged Company is a party or any writings

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as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company 2 shall subject to the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company or require any such writings from the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company for the limited purposes of giving effect to the Scheme. It is clarified that the aforesaid shall only be restricted to acts, deeds and things exclusively in respect of Vertical C Undertaking and to give effect to this Scheme in its letter and spirit. It is further clarified that the aforesaid shall not, in any manner, create any liability or financial obligation on the Demerged Company and/or entitle the Resulting Company 2 to take any action for and on behalf of the Demerged Company in relation to the Vertical A Undertaking or Vertical B Undertaking or any Common Asset or Common Liabilities.

xiii) Notwithstanding the generality of the foregoing provisions, all electricity, water, telephone and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states pertaining to the Vertical C Undertaking, together with related security deposits and all other advances paid, shall stand transferred in favour of the Resulting Company 2 on the same terms and conditions by operation of law and without any further act, instrument, deed, matter or thing being made, done or executed. The Resulting Company 2 shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such companies, boards, agencies and authorities in respect of the Vertical C Undertaking.

xiv) Notwithstanding Clause 8.1 (xi) above, all records maintained at various facilities of LIL which are demarcated for Vertical C Undertaking but may relate to activities carried out by Vertical A Undertaking or Vertical B Undertaking or Common Assets/ Common Liabilities prior to the Effective Date shall be preserved at such facilities by Vertical C as per statutory timelines and shall be shared promptly and without any delay, with the other Verticals on a need basis for compliance purposes.

8.2 **Transfer of Debts and Liabilities of Vertical C Undertaking:**

i) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description (whether recorded or unrecorded) attributable to the Vertical C Undertaking and undertaken by the Demerged Company shall, without any further act or deed, be transferred to, or be deemed to be transferred to, Resulting Company 2 so as to become the debts, liabilities, contingent liabilities, duties and obligations of Resulting Company 2 on the same terms and conditions and the Resulting Company 2 undertakes to meet, discharge and satisfy the same. Further that it shall not be necessary to obtain the consent of any third

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party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme.

ii) Without prejudice to the aforesaid, all borrowings including fund-based and non-fund-based limits sanctioned by the lenders to the Demerged Company relating to the Vertical C Undertaking of Demerged Company will be allocated and transferred to the Resulting Company 2.

iii) All liabilities and obligations relating to or arising from the Vertical C Undertaking, whether accruing before, or after the Appointed Date, shall stand transferred to and vest in Resulting Company 2 with effect from the Appointed Date and Resulting Company 2 shall assume full responsibility for the same.

iv) Any contingent liabilities pertaining to the Vertical C Undertaking existing as on the Appointed Date shall be transferred to Resulting Company 2 and contingent liabilities arising after the Appointed Date with respect to any transaction business undertaken by Vertical C Undertaking shall be assumed by Resulting Company 2. Further, all past and future dues, demands, statutory liabilities in relation to Vertical C Undertaking whether or not accrued, identified, crystallised, shall be transferred/ borne by Resulting Company 2 including any expenses thereon and the Demerged Company shall have no liability/obligation.

v) Where any of the liabilities and obligations relating to the Vertical C Undertaking which could not be transferred to Resulting Company 2 by reason of Applicable Laws or otherwise and need to be discharged by the Demerged Company after Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company 2 and the Resulting Company 2 shall meet and discharge the liability through Demerged Company by making the necessary funds available to the Demerged Company. The Resulting Company 2 shall be liable for all consequences arising of such liabilities and shall keep indemnified the Demerged Company.

vi) All past and future dues, demands, liabilities in relation to the immovable properties pertaining to Vertical C Undertaking, whether or not accrued, identified, crystallised or not, shall be transferred/borne by Resulting Company 2 as if such liabilities were always the liabilities/obligations of Resulting Company 2. In case any such liability cannot be transferred and arises on the Demerged Company, then the Resulting Company 2 shall provide necessary funds to meet such liability and keep the Demerged Company indemnified.

vii) Transfer of Common Assets and Common Liabilities: Where any Common Asset or Common Liability cannot be so transferred on the Effective Date by reason of Applicable Laws or otherwise, it shall continue to be held or borne by the Demerged Company, which shall hold the same in trust for and on behalf of the Resulting Company 2, under the

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allocation as agreed, and shall deal with it only as they may jointly decide. Until the transfer is completed (a) if any amount, credit, refund or other benefit is realised in respect of a Common Asset, the Demerged Company shall pass on the share of the Resulting Company 2 share within 7 (seven) Business Days of realisation; and (b) if any Common Liability crystallises and is to be discharged by the Demerged Company, the Resulting Company 2 shall make necessary funds available to the Demerged Company prior to the discharge of such liability by the Demerged Company. Any expenses incurred in administering any Common Asset or Common Liability during this period shall be borne in the agreed proportion.

8.3 **Encumbrances relating to Vertical C Undertaking:**

i) The vesting of the assets comprised in the Vertical C Undertaking into Resulting Company 2 upon coming into effect of this Scheme shall be subject to the Encumbrances, if any, affecting the same, as and to the extent hereinafter provided.

ii) In so far as the existing Encumbrances in respect of the liabilities forming part of the Vertical C Undertaking are concerned, such Encumbrances shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets comprised in the Vertical C Undertaking to which such liability relates. Such Encumbrances shall not relate to or attach to any other assets of Resulting Company 2. Where any existing cross charge operates over assets of both the Vertical C Undertaking and that of the Vertical A Undertaking or Vertical B Undertaking, such cross charge shall, to the extent it attaches to the assets of the Vertical C Undertaking be deemed to relate exclusively to the Liabilities of the Vertical C Undertaking assumed by Resulting Company 2 and shall stand released from the Vertical A Undertaking or Vertical B Undertaking, as applicable.

iii) In so far as the assets of the Vertical A Undertaking or the Vertical B Undertaking are concerned, the Encumbrances over such assets relating to any Liabilities forming part of the Vertical C Undertaking shall, without any further act, instrument or deed and without the consent of the third party, stand released and discharged from the Appointed Date. The absence of any formal amendment which may be required by a lender, or third party shall not affect the operation of this clause.

iv) Currently, certain securities including primary security, secondary security and personal guarantees (*cumulatively,* "**Securities**") have been provided to a consortium of banks by the Demerged Company which spans across Vertical A Undertaking, Vertical B Undertaking and Vertical C Undertaking. With effect from the Appointed Date or during the Implementation Period, all such Securities shall be realigned and apportioned such that:

a) the portion of such Security attributable to the Vertical C

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Undertaking shall attach exclusively to the assets and obligations of Resulting Company 2 and shall stand released and discharged from any obligations of Resulting Company 1 in respect of the Vertical A Undertaking; and

b) the portion of such Security attributable to the Vertical C Undertaking shall attach exclusively to the assets and obligations of Resulting Company 2 and shall stand released and discharged from any obligations of Demerged Company in respect of the Vertical B Undertaking.

c) the portion of such Security attributable to the Vertical B Undertaking shall attach exclusively to the assets and obligations of Demerged Company and shall stand released and discharged from any obligations of Resulting Company 2 in respect of the Vertical C Undertaking.

v) Any reference to the Demerged Company and assets which pertains to Vertical C Undertaking, in any security document or arrangement relating to the Vertical C Undertaking shall be construed as a reference to Resulting Company 2. The Demerged Company and Resulting Company 2 may file modification of charge with the relevant RoC to give formal effect to the provisions of this Clause.

8.4 **Issue of Shares of the Resulting Company 2:**

i) Upon this Scheme becoming effective and upon the demerger, transfer and vesting of the Vertical C Undertaking from the Demerged Company into Resulting Company 2 in terms of this Scheme, Resulting Company 2 shall, without any further application, act or deed, issue and allot 1 (One) fully paid-up Resulting Company 2 New Shares of INR 2 (Rupees Two only) each for every 1 (One) fully paid-up equity share(s) of INR 2 (Rupees Two only) each held in the Demerged Company, to each member of the Demerged Company whose name is recorded in the register of members and records of the depository as a shareholder of the Demerged Company as on the relevant Record Date (**"Vertical C Share Entitlement Ratio"**). The allotment of Resulting Company 2 New Shares shall not extinguish or reduce the existing shareholding of such members in the Demerged Company - shareholders shall continue to hold their LIL shares in addition to receiving Resulting Company 2 New Shares. The Vertical C Share Entitlement Ratio has been determined by Mr. Vivek Newatia, an independent registered valuer, pursuant to a valuation report dated 31 August 2026, a copy of which is available on the website of the Demerged Company.

ii) Subject to Applicable Laws, the Resulting Company 2 New Shares to be issued in terms of this Scheme shall mandatorily be issued in dematerialized form. Shareholders who hold shares of the Demerged Company in dematerialized form shall receive the Resulting Company 2 New Shares into the account in which shares of the Demerged Company

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are held, or such other account as is intimated in writing by such shareholders to the Demerged Company, provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date.

iii) Shareholders who hold shares of the Demerged Company in physical form shall receive the Resulting Company 2 New Shares in dematerialized form, provided that the details of their depository participant account are intimated in writing to the Demerged Company and/or its RoC at least 7 (seven) days before the Record Date. In the event no such intimation is received from any such shareholder within the aforesaid period, the Resulting Company 2 shall keep such shares in abeyance / escrow account / with a trustee nominated by the Board of the Resulting Company 2 / held in trust for the benefit of such shareholders, or shall be dealt with as provided under Applicable Laws, and shall be credited to the respective depository participant accounts of such shareholders as and when the requisite details are intimated in writing to the Resulting Company 2 and/or its RoC, if permitted under Applicable Laws.

iv) The equity shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company 2.

v) The Resulting Company 2 New Shares to be issued by the Resulting Company 2 in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund.

vi) The Resulting Company 2 New Shares issued pursuant to this Scheme shall be subject to the provisions of this Scheme, the memorandum and articles of association of Resulting Company 2, and shall rank *pari passu* in all respects with the then existing equity shares of Resulting Company 2, including with respect to dividends, voting rights and other corporate benefits attached to the equity shares of Resulting Company 2.

vii) In the event of any change in the issued, subscribed or paid-up share capital of the Demerged Company and/or Resulting Company 2 prior to the Record Date, whether by way of increase, reduction, issuance of instruments convertible into equity shares, or any restructuring of the equity share capital including by way of share split, consolidation, issue of bonus shares or any other similar corporate action, other than as contemplated under this Scheme, the Vertical C Share Entitlement Ratio shall be appropriately adjusted, and such adjustment shall be subject to approval by the Boards of Directors of both the Demerged Company and Resulting Company 2.

viii) The equity shares to be issued by Resulting Company 2 to the members

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of the Demerged Company pursuant to Clause 8.4 (i) of this Scheme will be listed and/or admitted to trading on the Stock Exchanges in terms of applicable SEBI regulations and other Applicable Laws. The costs and expenses incurred for listing of Resulting Company 2 shall be shared by all the Verticals in the ratio of 2:2:1, respectively.

ix) The equity shares of Resulting Company 2 allotted pursuant to the Scheme shall remain frozen in the depository system till listing and trading permission is given by the Stock Exchange(s). There shall be no change in the shareholding pattern or control in Resulting Company 2 between the Record Date and the date of listing/trading permission given by Stock Exchanges.

x) The issue and allotment of shares by the Resulting Company 2 to the shareholders of the Demerged Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of Resulting Company 2 or its shareholders and as if the procedure laid down under Section 62 of the Act and other provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.

8.5 **Reduction and Cancellation of Entire Pre-Scheme Share Capital of Resulting Company 2**

i) Upon allotment of the Resulting Company 2 New Shares pursuant to this Scheme, the entire pre-Scheme paid-up share capital of Resulting Company 2 shall, without any further act, instrument or deed, stand cancelled and extinguished without payment of any consideration thereof, and such cancellation shall be treated as a reduction of share capital of Resulting Company 2 in accordance with Sections 230 to 232 of the Act, as an integral part of this Scheme.

ii) Consequent to such cancellation, Resulting Company 2 shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company 2 cancelled shares and credit an equivalent amount to its capital reserve account and/or securities premium account, as may be determined by the Board of Directors of Resulting Company 2 in accordance with Applicable Laws.

iii) It is hereby clarified that the approval of the members of Resulting Company 2 to this Scheme shall be deemed to constitute their consent and approval for the reduction of share capital of Resulting Company 2 under the applicable provisions of the Act, and no separate consent or approval shall be required for this purpose.

iv) Notwithstanding the reduction of share capital of Resulting Company 2 pursuant to this Scheme, Resulting Company 2 shall not be required to append the words "And Reduced" as a suffix to its name.

8.6 **Accounting Treatment**

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i) **Accounting Treatment in the books of Demerged Company**

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall give effect to the demerger of Vertical C Undertaking in its books of account in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and generally accepted accounting principles in India:

a) All the assets and liabilities of the Demerged Company pertaining to the Vertical C Undertaking, being transferred to the Resulting Company 2, shall be reduced from the books of accounts of the Demerged Company at their respective book values / carrying values after the close of business hours on the day immediately preceding the Appointed Date .

b) The Capital Redemption Reserve, Securities Premium, Capital Reserve, General Reserve and Retained Earnings after the close of business hours on the day immediately preceding the Appointed Date, shall be apportioned between Demerged Company, Resulting Company 1 and Resulting Company 2 in the same proportion in which net assets have been transferred the Resulting Company 1 and Resulting Company 2 and net assets retained by the Demerged Company.

c) Pursuant to Clause 8.5 of this Scheme, the Investment in Resulting Company 2 shall stand cancelled without any further act or deed, and the corresponding amount shall be adjusted against the General Reserve of the Demerged Company.

d) Inter-company balances (including borrowings, loans, advances, payables, and receivables) outstanding between the Vertical C Undertaking of the Demerged Company and the Resulting Company 2, if any, as on the Appointed Date shall stand cancelled without any further act or deed, and the Resulting Company 2 shall pass appropriate entries to eliminate such balances against the corresponding accounts.

e) The excess deficit, if any, of the book value of the assets over the book value of the liabilities and reserves of the Demerged Company pertaining to the Vertical C Undertaking, which have been transferred to the Resulting Company 2 pursuant to this Scheme, shall be adjusted against the reserves in the financial statements of the Demerged Company as drawn up in compliance with the Scheme and applicable accounting standards/ IND AS of the Demerged Company.

f) Notwithstanding anything above, the Board of Directors of the Demerged Company is authorized to account for any of the above-mentioned transactions or any matter not dealt with under this

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clause in accordance with the applicable accounting standards / IND AS and generally accepted accounting principles.

ii) Accounting Treatment in the books of Resulting Company 2

Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company 2 shall account for the Scheme in its books of account in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and generally accepted accounting principles in India:

a) The Resulting Company 2 shall record the assets, liabilities and reserves pertaining to the Vertical C Undertaking vested in it pursuant to this Scheme, at their respective book values / carrying values as appearing in the books of the Demerged Company after the close of business hours on the day immediately preceding the Appointed Date.

b) The identity of the reserves, shall be preserved, and they shall appear in the financial statements of the Resulting Company 2 in the same form in which they appeared in the financial statements of the Demerged Company.

c) The share capital of the Resulting Company 2 held by the Demerged Company shall stand cancelled without any further act or deed. The Resulting Company 2 shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by the Demerged Company in the Resulting Company 2, which stand cancelled and the same shall be credited to the Capital Reserve of the Resulting Company 2.

d) The Resulting Company 2 shall issue and allot equity shares to the shareholders of the Demerged Company in accordance with Clause 8.4 (i) above and credit the aggregate face value of such equity shares to its Share Capital Account.

e) The Resulting Company 2 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 2, whichever is later, as per applicable Indian Accounting Standards.

f) Inter-company balances (including borrowings, loans, advances, payables, and receivables) outstanding between the Vertical C Undertaking of the Demerged Company and the Resulting Company 2, if any, as on the Appointed Date shall stand cancelled without any further act or deed, and the Resulting Company 2 shall pass appropriate entries to eliminate such balances against the corresponding accounts.

g) The excess/deficit, if any of the net value of assets, liabilities, and

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reserves of the Vertical C Undertaking of the Demerged Company acquired and recorded by the Resulting Company 2 over the amount recorded as share capital issued shall be credited or debited, as the case may be, to the reserves in the financial statements of the Resulting Company 2.

h) In case of any difference in the accounting policies between the Demerged Company and the Resulting Company 2, the accounting policies followed by the Resulting Company 2 shall prevail and the difference, if any, will be quantified and shall be adjusted in the Reserves, to ensure that the financial statements of the Resulting Company 2 reflect the financial position on the basis of consistent accounting policy.

i) Notwithstanding anything above, the Board of Directors of the Demerged Company is authorized to account for any of the above-mentioned transactions or any matter not dealt with under this clause in accordance with the applicable accounting standards / IND AS and generally accepted accounting principles.

8.7 **Direct Tax**: Pursuant to the Scheme coming into effect and with effect from the Appointed Date:

i) All direct tax related benefits whether ascertained or unascertained, disputed or undisputed, present or future including contingent, exclusively relating to the Vertical C Undertaking, under applicable tax laws and whether provided or not provided for in the accounts as on the date immediately preceding the Appointed Date, shall stand transferred to and become the assets of the Resulting Company 2.

ii) Notwithstanding anything contained in Clause 8.7 (i) above, all direct tax related benefits including TDS, TCS, MAT credits (to the extent remaining unutilised on the Effective Date and if transferable), income tax benefits and losses, and other benefits, exemptions or privileges enjoyed or granted by any Appropriate Authority to the Demerged Company exclusively in relation to the Vertical C Undertaking, shall together with any corresponding obligations, without any further act or deed or acknowledgement by any third party, shall be available to and vest in Resulting Company 2 on the same terms and conditions as if all such benefits, exemptions and entitlements had arisen to and were always the benefits, exemptions and/ or entitlements of the Resulting Company 2. Any surplus in provisioning for direct taxation stated above, including advance tax, self-assessment tax, credit relatable to the Vertical C Undertaking, shall likewise stand transferred to and vest in the Resulting Company 2. In case of any shortfall, adequate provisions shall be made by the Vertical C Undertaking in the Demerged Company.

iii) If any such asset, credit, refund, surplus, receivable or benefit as stated in Clause 8.7 (ii) above, cannot be transferred or vested in Resulting Company 2 for any reason, the Demerged Company shall hold, claim,

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realise or utilise the same for and on behalf of Resulting Company 2 and pass on the economic benefit thereof to Resulting Company 2.

iv) All direct tax liabilities including interest, penalty or obligations, whether ascertained or unascertained, disputed or undisputed, present or future including contingent, exclusively relating to the Vertical C Undertaking, under applicable tax laws and whether provided or not provided for in the accounts as on the date immediately preceding the Appointed Date, shall, without any further act or deed or acknowledgement by any third party, stand transferred to and become the liabilities of the Resulting Company 2, as if such liabilities were always the liabilities/obligations of Resulting Company 2. Any such liabilities, interest, penalty or obligation relatable to the Vertical C Undertaking, whether arising before or after the Effective Date, if cannot be transferred to Resulting Company 2 for any reason whatsoever, the Resulting Company 2 shall meet and discharge the liability through Demerged Company by making the necessary funds available to the Demerged Company. Resulting Company 2 shall be liable for all consequences arising of such liabilities and shall keep indemnified the Demerged Company. Any incidental costs, expenses to be incurred in relation to and defending such liabilities shall be borne by Resulting Company 2.

v) All obligations, if any, for payment of all direct taxes to Appropriate Authorities under Applicable Laws relating to direct tax of the Demerged Company in relation to the Vertical C Undertaking shall be deemed to be the obligations of the Resulting Company 2.

vi) All proceedings, including assessments, reassessments, appeals, revisions, rectifications, audits, investigations, recovery proceedings or other proceedings of whatsoever nature, by or against the Demerged Company under the Direct Tax laws, including Income-tax Act, 1961 (or the Income-Tax Act, 2025) either pending on the Effective Date or arising subsequently, and exclusively relatable to Vertical C Undertaking shall be continued and enforced by or against the Resulting Company 2 in the same manner and to the same extent as they would have been against the Demerged Company.

vii) Each company shall be entitled to revise its returns, statements of tax deducted at source and related filings, and to claim refunds, credits and deductions, as may be necessary to give effect to this Scheme, notwithstanding that the statutory period for such revision may have lapsed.

8.8 **Indirect Tax**: With effect from the Appointed Date:

i) All indirect tax related benefits whether ascertained or unascertained, disputed or undisputed, present or future including contingent, exclusively relating to the Vertical C Undertaking, under applicable tax laws and whether provided or not provided for in the accounts as on the date immediately preceding the Appointed Date, shall stand transferred to

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and become the assets of the Resulting Company 2.

ii) Notwithstanding anything contained in Clause 8.8 (i) above, all incentives (including production linked incentives, export incentives under the EPCG scheme), subsidies, exemptions, remissions, reductions, all indirect tax related benefits including GST benefits, all indirect tax related assets and credits including GST input tax credits relating to Vertical C and accumulated thereafter, and other benefits, exemptions or privileges enjoyed or granted by any Appropriate Authority to the Demerged Company exclusively in relation to the Vertical C Undertaking, shall together with any corresponding obligations, without any further act or deed or acknowledgement by any third party, shall be available to and vest in Resulting Company 2 on the same terms and conditions as if all such incentives, exemptions and entitlements had arisen to and were always the incentives and entitlements of the Resulting Company 2. It is expressly clarified that no input tax credit relating to the Vertical C Undertaking shall lapse, expire or be forfeited merely on account of the Demerger, and the Resulting Company 2 shall be entitled to utilise such credit in accordance with GST laws.

iii) All GST registrations related exclusively to Vertical C Undertaking, and consequential electronic credit ledger balances, electronic cash ledger balances and all eligible input tax credit shall, subject to the provisions of GST laws, stand transferred to and vest in the Resulting Company 2.

iv) Wherever applicable, all the transfers as contemplated under this Clause 8.8 shall be effected by the Demerged Company through filing of requisite forms/documents with the relevant Appropriate Authority in terms of Clause 13.3. The Demerged Company and the Resulting Company 2 shall take all necessary actions under applicable Indirect Tax Laws to effect such transfer.

v) If any such asset, credit, refund, surplus, receivable or benefit as stated in Clause 8.8 (i) to (iii) above, cannot be transferred or vested in the Resulting Company 2, then the Demerged Company shall hold the same in trust for and on behalf of the Resulting Company 2, and Demerged Company shall promptly pass on or otherwise make available the full legal and economic benefit thereof to the Resulting Company 2, in accordance with Applicable Laws without requiring any further act, deed, instrument, consent or approval, save and except such filings, declarations or procedural compliances as may be mandatorily required under Applicable Laws.

vi) All Indirect Tax liabilities including GST output tax liabilities, RCM liability, input tax credit reversal obligations, interest, penalty or obligations arising out of returns, assessments, audits, investigations, notices or proceedings relating to GST registrations which are related exclusively to Vertical C shall be the liabilities of the Resulting Company 2 whether it pertains to pre or post Appointed Date.

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vii) All Indirect Tax liabilities, including GST output tax liabilities, cess, RCM liability, input tax credit reversal obligations or any such liability, interest, penalty or obligation attributable to the Vertical C Undertaking, including any tax collected but not yet remitted to the government and any pending demands, assessments or proceedings relatable to the Vertical C Undertaking shall, without any further act or deed or acknowledgement by any third party, stand transferred to and be assumed by Resulting Company 2 with effect from the Appointed Date. Any Indirect Tax liability, including GST output tax liability, RCM liability, input tax credit reversal obligation or any interest, penalty or obligation relatable to the Vertical C Undertaking, whether arising before or after the Appointed Date, if cannot be transferred to Resulting Company 2 for any reason whatsoever, the Resulting Company 2 shall meet and discharge the liability through the Demerged Company by making necessary fund available to the Demerged Company. Any incidental costs, expenses to be incurred in relation to and defending such liabilities shall be borne by Resulting Company 2. Resulting Company 2 shall be liable for all consequences arising from such liabilities and shall keep indemnified the Demerged Company. Any excess or shortfall in the Indirect Tax liabilities, including GST liabilities allocated to the Vertical C Undertaking as against the aggregate amount of Indirect Tax liabilities, including GST liabilities attributable to the Vertical C Undertaking as on the Appointed Date and accruing thereafter until the Effective Date shall be adjusted and settled between the respective Verticals separately as per a mutually agreeable mechanism.

viii) All indirect tax liabilities including interest, penalty or any other obligation, whether ascertained or unascertained, disputed or undisputed, present or future including contingent, exclusively relating to the Vertical C Undertaking, under applicable tax laws and whether provided or not provided for in the accounts as on the date immediately preceding the Appointed Date, whether relating to a period prior to, on or after the Appointed Date and whether determined before or after the Effective Date, shall, without any further act or deed, stand transferred to and become the liabilities of the Resulting Company 2. If any such liabilities cannot be transferred for any reason, the Resulting Company 2 shall meet and discharge the liability through Demerged Company by making the necessary funds available to the Demerged Company. Resulting Company 2 shall be liable for all consequences arising out of such liabilities, interests, penalty or other obligations, and shall keep indemnified the Demerged Company.

ix) All proceedings, including assessments, reassessments, appeals, revisions, rectifications, audits, investigations, recovery proceedings or other proceedings of whatsoever nature, by or against the Demerged Company under Indirect Tax laws, including GST Laws, either pending on the Appointed Date or arising subsequently, and relatable to Vertical C Undertaking shall be continued and enforced by or against the Resulting Company 2 in the same manner and to the same extent as they would have been against the Demerged Company. Further, where any such

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proceedings are continued in name of Demerged Company, it would be obligated on Demerged Company to seek advise/ clearance from Resulting Company 2 before making any submissions/ filings thereunder.

x) All common credits, refunds, re-credits, rebate, restorations, adjustments, claims, receivables, drawback, incentive, other tax benefits made available by any tax, GST, customs authority, or similar benefit sanctioned or otherwise made available by any other Appropriate Authority attributable to Common Assets and Common Liabilities, pursuant to any order, assessment, adjudication, appellate proceeding, refund proceeding, audit, investigation, rectification, clarification or otherwise, shall vest exclusively in, and be for the benefit of, the Demerged Company and the Resulting Company 1 in equal proportion as per mutually agreed mechanism after making relevant identified adjustments attributable to Vertical C. The said entitlement of the Resulting Company 1 and Resulting Company 2 shall be transferred to the Resulting Company 1 and Resulting Company 2 in the same form, manner and extent in which it is ultimately received, sanctioned, or made available by the relevant authority, whether by way of cash disbursement, electronic credit, re-credit in an electronic ledger, adjustment, set-off, or otherwise operate independently of, and any transfer of such amount shall be net of, all related expenses, taxes, excess prior transfer, utilisation, adjustment, allocation, apportionment or settlement of any balance lying in the electronic credit ledger of the Demerged Company, whether undertaken pursuant to this Scheme or otherwise.

8.9 **Residual Tax Clauses**: Save as otherwise provided above, pursuant to the Scheme coming into effect:

i) All credits, refunds, re-credits, rebate, restorations, adjustments, claims, receivables, drawback, incentive, other tax benefits made available by any tax, customs authority, or similar benefit sanctioned or otherwise made available by any other Appropriate Authority attributable exclusively to Vertical C Undertaking, whether crystallised or not, contingent, disputed, under process, under litigation, or arising pursuant to any order, assessment, adjudication, appellate proceeding, refund proceeding, audit, investigation, rectification, clarification or otherwise, shall vest exclusively in, and be for the benefit of, the Resulting Company 2. The said entitlement of the Resulting Company 2 shall be transferred promptly to the Resulting Company 2 without any further act or deed in the same form and manner in which it is ultimately received, sanctioned, or made available by the relevant authority, whether by way of cash disbursement, electronic credit, re-credit in an electronic ledger, adjustment, set-off, or otherwise operate independently of, and any transfer of such amount shall be net of, all related expenses, taxes, excess prior transfer, utilisation, adjustment, allocation, apportionment or settlement of any balance lying in the electronic credit ledger of the Demerged Company, whether undertaken pursuant to this Scheme or otherwise.

ii) Where any amount of input tax credit, refund, re-credit, restoration,

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adjustment, claim, receivable or other tax benefit attributable exclusively to Vertical C Undertaking cannot, whether wholly or partly, be transferred to the Resulting Company 2 in specie or through the statutory mechanism prescribed under Applicable Laws, including by reason of any restriction under the prescribed formula, portal functionality, procedural limitation, prior utilisation, prior adjustment or any position adopted by the tax authorities, the Demerged Company shall make an equivalent settlement in favour of the Resulting Company 2, to the extent received by the Demerged Company, in the same form, manner and to the extent in which it is ultimately received, sanctioned or made available by the relevant authority so as to ensure that the Resulting Company 2 receives the full legal and economic benefit thereof without requiring any further act, deed, instrument, consent or approval, save and except such filings, declarations or procedural compliances as may be mandatorily required under Applicable Laws.

iii) Where any amount of input tax credit, refund, re-credit, restoration, adjustment, claim, receivable or other tax benefit attributable exclusively to Vertical B Undertaking cannot, whether wholly or partly, be retained in the Demerged Company pursuant to this Scheme in specie or through the statutory mechanism prescribed under Applicable Laws, including by reason of any restriction under the prescribed formula, portal functionality, procedural limitation, prior utilisation, prior adjustment or any position adopted by the tax authorities, the Resulting Company 2 shall make an equivalent settlement in favour of the Demerged Company, to the extent received by the Resulting Company 2, in the same form, manner and to the extent in which it is ultimately received, sanctioned or made available by the relevant authority so as to ensure that the Demerged Company receives the full legal and economic benefit thereof without requiring any further act, deed, instrument, consent or approval, save and except such filings, declarations or procedural compliances as may be mandatorily required under Applicable Laws.

iv) All Common Assets and Common Liabilities made available or demanded by any tax, customs authority, or similar benefit sanctioned or otherwise made available or liability demanded by any other Appropriate Authority not attributable exclusively to any of the Verticals whether crystallised or not, contingent, disputed, under process, under litigation, or arising pursuant to any order, assessment, adjudication, appellate proceeding, refund proceeding, audit, investigation, rectification, clarification or otherwise, shall be apportioned amongst the Demerged Company and Resulting Company 1 in equal proportion as per mutually agreed mechanism after making relevant identified adjustments attributable to Vertical C. To the extent any such liability is required under Applicable Laws to be discharged by the Demerged Company or is assessed, recovered or enforced against the Demerged Company, the Resulting Companies, in proportion to their respective share of liabilities, shall make necessary funds available to discharge the liability and indemnify the Demerged Company against the same.

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v) The Resulting Company 2 and Demerged Company, are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for MAT purposes and tax benefits), service tax law, central and relevant state Goods and Services Tax Act, and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits under the Applicable Laws. Such benefits include but is not limited to the amount disallowed in the hands of the Demerged Company under Section 43B or 40 (a) of the Income Tax Act, 1961 (corresponding to Section 37 or Section 35 of the Income-Tax Act, 2025, as applicable) for the financial years prior to the Appointed Date shall be eligible to be claimed by the Resulting Company 2 on fulfilment of the conditions as laid down in Sections 43B or 40 (a) of the Income Tax Act, 1961 (corresponding to Section 37 or Section 35 of the Income Tax Act, 2025, as applicable) etc and other tax laws and for matters incidental thereto, if required to give effect to the provisions of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired but without incurring any liability on account of interest, penalty or any other sum to claim refunds, advance tax credits, GST, excise and service tax credits, set off, etc, pursuant to the Scheme coming into effect.

vi) All liabilities, obligations, interest, fines, penalties (including contingent, future, accrued, crystallized, uncrystallized, known or unknown liabilities), arising pursuant to returns, assessments, reassessments, audits, investigations, notices, demands, adjudication proceedings, appeals or other proceedings, insofar as attributable to the operations, activities, transactions, assets or liabilities of the Vertical A Undertaking and/or Vertical C Undertaking, whether relating to a period prior to, on or after the Appointed Date and whether determined before or after the Effective Date, shall be for the account of and borne by the respective Resulting Companies. The Demerged Company shall undertake the relevant filings at the instructions, directions and cost of the respective Resulting Companies and the Demerged Company shall have no liability or financial obligation in this regard. To the extent any such liability is required under Applicable Laws to be discharged by the Demerged Company or is assessed, recovered or enforced against the Demerged Company, the Resulting Companies shall make necessary funds available to discharge the liability and shall indemnify the Demerged Company against the same.

vii) With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable by the Demerged Company relating to the Vertical A Undertaking and/or the Vertical C Undertaking respectively, including advance tax payments, self-assessment tax, tax deducted at source or any refunds/credits/claims relating thereto shall, for all purposes, be treated as advance tax payments, self-assessment tax, tax deducted at source or refunds/credits/claims, as the case may be, of the respective Resulting Companies.

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viii) The benefit of all available accumulated tax losses including carried forward business losses and unabsorbed depreciation, if any, relating to the Vertical A Undertaking and/or the Vertical C Undertaking as on and up to the Appointed Date shall be available to the respective Resulting Companies in terms of Section 116 of the Income Tax Act, 2025 (corresponding to section 72A of the Income-tax Act, 1961). Where such loss or unabsorbed depreciation is not directly relatable to the relevant Undertaking, it shall be apportioned between the Demerged Company and the respective Resulting Company in accordance with the provisions of the Income Tax Act.

8.10 **Employees, Staffs and Workers of Vertical C**:

i) On the Scheme becoming operative, all Transferring Employees of the Demerged Company pertaining to the Vertical C Undertaking in service on the Appointed Date shall be deemed to have become Employees of Resulting Company 2 on and from the Appointed Date without any break in their service and on the basis of continuity of service. The terms and conditions of their employment with the Resulting Company 2 shall not be less favourable than those applicable to them with reference to their employment in the Demerged Company. The Resulting Company 2 shall abide by any subsisting agreement or settlement entered into by the Demerged Company with any Transferring Employee or employee representative body or union.

ii) Upon the Scheme becoming effective, all liabilities and obligations pertaining to the Employees of the Demerged Company relatable to the Vertical C Undertaking, including but not limited to liabilities on account of salaries, wages, bonus, gratuity, leave encashment, retrenchment compensation, and any other retirement or terminal benefits, whether accrued, contingent or otherwise, shall stand transferred to and vested in Resulting Company 2, and Resulting Company 2 shall be solely responsible for the discharge of all such liabilities and obligations from the Appointed Date. The Demerged Company shall not retain any liability in respect of such Transferring Employees upon the Scheme becoming effective.

iii) If any liability, payment, settlement, compensation, penalty, cost or expense or any litigation is pending in relation to any Employees whether in employment or was employed under the Vertical C, the same shall be borne by Resulting Company 2 and Resulting Company 2 shall be solely responsible for the discharge of all such liabilities and obligations and the Demerged Company shall not have any liability.

8.11 **Provident Fund**: Upon the Scheme becoming effective, the accumulated balances standing to the credit of the Transferring Employees in the existing provident fund accounts established by the Demerged Company with the EPFO shall be transferred to provident fund accounts established by the Resulting Company 2 with the EPFO. The Resulting Company 2 **shall** stand substituted for the Demerged Company for all EPFO compliance purposes whatsoever related to

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the administration or operations of such fund or in relation to the obligations to make contribution to the said fund. Pending the formal transfer of the aforesaid provident fund contributions and dues in respect of the Transferring Employees relating to Vertical C pursuant to this Scheme shall continue to be deposited in the existing provident fund accounts of the Demerged Company, as applicable, in accordance with law, and shall after the Effective Date be appropriately transferred or adjusted in favour of the Resulting Company 2.

8.12 **Pension Fund**: Upon the Scheme becoming effective, the accumulated balances or contributions in respect of the Transferring Employees in the existing pension fund accounts established by the Demerged Company with the EPFO shall be transferred to the Resulting Company 2 and dealt with in **accordance** with the Employees' Pension Scheme, 1995 and the Resulting Company 2 shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operations of such scheme or fund or in relation to the obligations to make contribution to the said fund.

PART D

GENERAL TERMS AND CONDITIONS

9. Legal and Tax Proceedings

i) If any suit, appeal, or other proceeding of whatever nature, related to tax or any other legal matters, by or against the Demerged Company in relation to the Vertical A Undertaking or the Vertical C Undertaking is pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of anything contained in this Scheme, but shall be transferred, continued, prosecuted and enforced by or against the relevant Resulting Companies after the Effective Date. On and from the Effective Date, the Resulting Companies shall continue to prosecute or defend any such proceedings which were earlier in the name of the Demerged Company.

ii) After the Effective Date if any suit, appeal, or other proceeding of whatever nature, related to tax or any other legal matters is initiated by or against, the Demerged Company in relation to the Vertical A Undertaking or the Vertical C Undertaking, such proceedings shall be deemed to be initiated and transferred to the relevant Resulting Companies by virtue of this Scheme and the Resulting Companies shall take necessary steps to continue to defend the same.

iii) In the event that any suit, appeal, legal, taxation or other proceeding, relating to the Vertical A Undertaking or the Vertical C Undertaking cannot be transferred to or continued by the respective Resulting Companies by reason of any Applicable Laws, order of a court or tribunal, or requirement of any Appropriate Authority, the Demerged Company shall continue to act, prosecute or defend such proceedings through the respective Resulting Companies and at the instructions, directions and cost of the respective Resulting Companies and for the exclusive benefit/ liabilities/ obligations of such Resulting Companies. The Demerged Company shall keep the respective Resulting Companies promptly informed of all developments in such proceedings and shall not settle, compromise, withdraw

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or take any step in such proceedings without the prior written consent of the respective Resulting Companies and such consent shall be provided by the Resulting Companies promptly. The respective Resulting Companies would solely be responsible for all costs and consequences and shall track, monitor, assess and take necessary steps in the proceedings. The respective Resulting Companies shall meet and discharge all liabilities, obligations, costs and expenses through the Demerged Company by making necessary fund available to the Demerged Company and shall keep indemnified the Demerged Company at all times.

iv) Notwithstanding anything contained in this Clause 9, the proceedings by or against the Demerged Company in relation to more than one Vertical jointly, shall be continued to be prosecuted or defended by the Demerged Company and all decisions, expenses pertaining to such joint proceedings shall be dealt with in a manner as agreed amongst the respective Board of Directors of the relevant Parties. If any suit, appeal, or other proceeding of whatever nature, related to tax or any other legal matters, by or against the Demerged Company in relation to Vertical A Undertaking and Vertical C Undertaking combined, is pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of anything contained in this Scheme, but shall be transferred, continued, prosecuted and enforced by or against Resulting Company 1/ Resulting Company 2 after the Effective Date. On and from the Effective Date, the Resulting Companies shall continue to prosecute or defend any such proceedings which were earlier in the name of the Demerged Company.

10. Increase of Authorised Share Capital:

10.1 Upon the Scheme being effective, the authorized share capital of Resulting Companies will automatically stand increased to INR 10,00,00,000 (Rupees Ten Crores only) divided into 5,00,00,000 equity shares of INR 2 each, as on the Effective Date, without any further act or deed, and the memorandum of association of Resulting Companies shall stand amended accordingly.

10.2 The approval of this Scheme by the shareholders of Resulting Companies shall be deemed to have the approval for the purpose of effecting the increase of authorized share capital and no further resolutions or compliance under Sections 13, 61 or 64 of the Companies Act, 2013 shall be required to be separately passed in this regard.

10.3 Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 1 and Resulting Company 2 shall without any act, instrument or deed be and stand altered, modified, and amended and be replaced by the following clause:

> *"The Authorised Share Capital of the Company is INR 10,00,00,000/- (Indian Rupees Ten Crores Only) consisting of 5,00,00,000 (Five Crores) equity shares of INR 2/- (Indian Rupee Two only) each; with power to increase or reduce the capital of the Company"*

10.4 The Resulting Company 1 and Resulting Company 2 shall pay the applicable requisite stamp duty and RoC fees and shall file the required returns/information/

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amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.

11. Change of Registered Office of the Demerged Company:

11.1 Upon this Scheme becoming effective and with effect from the Effective Date, the registered office of the Demerged Company shall stand changed from its existing address at 39, Kali Krishna Tagore Street, Kolkata – 700 007 to Unit 502, 39, Kali Krishna Tagore Street, Kolkata – 700 007 (**"New Registered Office"**), being an address identified by Vertical B Undertaking.

11.2 The approval of this Scheme by the shareholders of the Demerged Company under Sections 230 to 232 of the Act shall be deemed to constitute due compliance with Section 12 of the Act and all other applicable provisions of the Act for the purposes of effecting the change of registered office of the Demerged Company to the New Registered Office, and no further resolution or approval of the shareholders or the Board of Directors of the Demerged Company shall be required to be separately passed or obtained in this regard.

11.3 The Demerged Company shall, upon this Scheme becoming effective, file such forms, returns and documents with the jurisdictional RoC, and with such other Appropriate Authorities as may be required under Applicable Laws, to give effect to and record the change of registered office to the New Registered Office.

11.4 Until such time as the change of registered office is formally recorded in the records of the RoC, the Demerged Company shall continue to operate from its existing registered office address.

11.5 The Memorandum of Association of the Demerged Company shall, with effect from the Effective Date, stand amended to reflect the New Registered Office, without any further act, instrument or deed. The approval of this Scheme by the shareholders of the Demerged Company shall be deemed to be their consent to the amendment of the Memorandum of Association under Section 13 of the Act, and no further resolution shall be required.

12. Change of Registered Office of the Resulting Company 2:

12.1 Upon this Scheme becoming effective and with effect from the Effective Date, Clause II of the Memorandum of Association of the Resulting Company 2 shall without any act, instrument or deed be and stand altered, modified, and amended and be replaced by the following clause:

> *'The Registered Office of the Company will be situated in the State of Tamil Nadu.'*

12.2 Upon this Scheme becoming effective and with effect from the Effective Date, the registered office of the Resulting Company 2 shall stand changed from its existing address at 39, Kali Krishna Tagore Street, Kolkata – 700 007 to 11/3, Sasthiri Nagar, Angeripalayam Main Road, Tirupur - 641602, Tamil Nadu (**"New Registered Office of RC 2"**), being an address identified by Vertical C Undertaking.

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12.3 The approval of this Scheme by the shareholders of the Resulting Company 2 under Sections 230 to 232 of the Act shall be deemed to constitute due compliance with Section 13 of the Act and all other applicable provisions of the Act for the purposes of effecting the change of registered office of the Resulting Company 2 to the New Registered Office of RC 2, and no further resolution or approval of the shareholders or the Board of Directors of the Resulting Company 2 shall be required to be separately passed or obtained in this regard and no further approval of the Regional Director, Ministry of Corporate Affairs, Government of India will be required for effecting the shifting of registered office of Resulting Company 2 to the New Registered Office of RC 2.

12.4 The Resulting Company 2 shall, upon this Scheme becoming effective, take all necessary steps and file such forms, returns and documents with the jurisdictional RoC, and with such other Appropriate Authorities as may be required under Applicable Laws, to give effect to and record the change of registered office to the New Registered Office of RC 2.

12.5 The approval of the members and/or creditors of Resulting Company 2 to this Scheme shall be deemed to constitute their consent and approval for the change of registered office of Resulting Company 2 under the applicable provisions of the Act, and no separate consent or approval shall be required from members and/or creditors, for this purpose.

13. Profits, Dividend and Conduct during Pendency Period:

13.1 The Demerged Company and the Resulting Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of accounting periods prior to the Effective Date, but only consistent with past practice or in the ordinary course.

13.2 With effect from the Effective Date necessary compliances related to direct taxes including submission of consent letters, indemnity bonds for transfer of prepaid taxes such as advance tax, self-assessment taxes, TDS, TCS, etc. relating exclusively to Vertical A Undertaking and/or Vertical C Undertaking from the Demerged Company, if any, shall be handed over to a third-party consultant, who shall act at the unanimous written instructions of Verticals, for immediate implementation;

13.3 With effect from the Effective Date necessary compliances related to indirect taxes including filing of statutory returns, transfer of GST credit through filing of applicable forms/certificates such as ITC-02, shall be handed over to a third-party consultant, who shall act at the unanimous written instructions of Verticals, for immediate implementation.

13.4 With effect from the Appointed Date and up till and including the Effective Date, the Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Vertical A Undertaking and the Vertical C Undertaking for and on account of and in trust for the respective Resulting Companies.

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13.5 All profits or income accruing or arising to the Demerged Company or expenditure or losses incurred or suffered by the Demerged Company pertaining to the Vertical A Undertaking and the Vertical C Undertaking shall, for all purposes, be treated as the income, profits, losses or expenditure, as the case may be, of the respective Resulting Companies. All profits or income accruing or arising to the Demerged Company or expenditure or losses incurred or suffered by the Demerged Company pertaining to the Vertical B Undertaking shall, for all purposes, be treated as the income, profits, losses or expenditure, as the case may be, of the Demerged Company and shall be retained by the Demerged Company. During the Pendency Period of this Scheme, the Demerged Company shall ensure that the composition of its Board of Directors and committees thereof remain in compliance with the provisions of the Act and the SEBI LODR Regulations.

13.6 During the Implementation Period, the Demerged Company shall carry on the business of the Vertical A Undertaking, Vertical B Undertaking and the Vertical C Undertaking with reasonable diligence and business prudence in the same manner as it had been doing hitherto. Nothing in this Clause shall prevent the Demerged Company from taking any action which is in the interest of the relevant Undertaking or required for the purposes of this Scheme.

13.7 All liabilities incurred by the Demerged Company with respect to the Vertical A Undertaking and the Vertical C Undertaking during the Pendency Period shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the respective Resulting Companies and to the extent they are outstanding on the Effective Date shall, without any further act or deed, be deemed to become the Liabilities of the respective Resulting Companies. Any expenses incurred by the Demerged Company during the period between the Appointed Date and the Effective Date that are not specifically attributable or relatable to the Vertical A Undertaking, Vertical B Undertaking or Vertical C Undertaking shall be shared amongst the Demerged Company and the Resulting Companies in the ratio of 2:2:1, respectively.

13.8 Upon the Appointed Date and until the licenses, Permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Resulting Companies, the Resulting Companies are authorized to carry on business under the existing licenses, Permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, special status already existing in relation to or in connection with the Vertical A Undertaking and/ or Vertical C Undertaking, and under the relevant license and or permit and/or approval, as the case may be, and the Resulting Companies shall keep a record and/or account of such transactions. If any financial liability or obligation is created on the Demerged Company, then such financial liability or obligation shall be made good by the relevant Resulting Companies.

14. <u>Contracts, Deeds and Agreements:</u>

14.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and

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other instruments, if any, of whatsoever nature pertaining exclusively to the Vertical A Undertaking or exclusively to the Vertical C Undertaking (as the case may be) to which the Demerged Company is a party and which are subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the respective Resulting Companies, as the case maybe, and may be enforced as fully and effectually as if, instead of the Demerged Company, the respective Resulting Company had been a party thereto.

14.2 It shall not be necessary to obtain the consent of any third party or other Person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements or other instruments to give effect to the provisions of this Clause. The respective Resulting Companies shall be the beneficiary of all bank guarantees, deposits, bonds, security deposits, indemnities, insurance contracts and any other benefit of whatsoever nature exclusively relating to the Vertical A Undertaking or exclusively to the Vertical C Undertaking to which the Demerged Company is a party and which are subsisting or have effect immediately before the Effective Date. In the event any contract, deed, bond, agreement, scheme, arrangement or other instrument of whatsoever nature is for the benefit of or applicable to or governs the operations of more than one Vertical (i.e., covers any combination of the Vertical A Undertaking, Vertical B and/or the Vertical C Undertaking), then upon the Scheme coming into effect, the same shall, without any further act, instrument or deed, be novated, modified and/or apportioned, as may be appropriate in the circumstances, so as to apply to or govern the operations of the respective Verticals separately, without placing either of them at any disadvantage, and the relevant Parties shall undertake all necessary steps to give effect to such novation, modification and/or apportionment, including execution of fresh instruments or agreements if required.

14.3 **Handover of retained records, systems and credentials to Demerged Company:**

i) As on Effective Date, Vertical A Undertaking and Vertical C Undertaking shall cease to have access to all secretarial records, related materials, credentials including of Structural Digital Database, SCORES, ICEGATE, GeM, NSE & BSE credentials, RTA portal and other such relevant portals, which shall be in exclusive custody of the Demerged Company to ensure compliance with Applicable Laws.

ii) Subject to Clause 13.2 and Clause 13.3, all login credentials of statutory/regulatory portals and online accounts operated or controlled by Vertical A or Vertical C, but not transferred under their respective Undertakings, and required by the Demerged Company for post-Effective Date compliance, shall remain with the Demerged Company. Vertical A and Vertical C shall, on or before the Effective Date, deliver, transfer/re-register to the Demerged Company, all related administrative rights, passwords, digital signature certificates, authorised signatory registrations, authentication mechanisms, and registered mobile numbers/e-mail IDs, and shall procure that their respective personnel thereafter cease to hold or exercise any access thereto.

15. Wrong Pocket Assets and Liabilities:

15.1 Subject to the provisions of this Scheme, if after the Appointed Date any asset or liability forming part of a particular Undertaking is found to have been transferred to, vested in, or retained by the wrong company (whether the Demerged Company, Resulting Company 1, or Resulting Company 2), the company incorrectly holding or retaining such asset or liability shall promptly transfer or assign the same to the company to which it properly belongs, for no consideration and without any tax implications.

15.2 If any company receives or realises any amount, asset, or benefit, or has discharged any liability, that properly belongs to another company under this Scheme, the receiving or discharging company shall promptly account for and transfer or reimburse the same to the company to which it properly belongs.

16. Saving of Concluded Transactions:

The transfer of the Vertical A Undertaking and the Vertical C Undertaking from the Demerged Company to the respective Resulting Companies and the continuance of proceedings by or against the Resulting Companies shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the respective Resulting Companies accept and adopt all acts, deeds and things done and executed by the Demerged Company for the respective Undertakings as done and executed on behalf of themselves.

17. Shareholding Alignment Post Scheme:

17.1 Upon the Effective Date, the corporate governance and control of each of the entities resulting from this Scheme shall be aligned as follows, and the Parties shall take all necessary steps under the Act and Applicable Laws to give effect to the same:

i) Resulting Company 1 shall be under the exclusive management of the Lux and Cozi Shareholder Group A.

ii) Resulting Company 2 shall be under the exclusive management of the Lux Global Shareholder Group.

iii) The Demerged Company shall be under the exclusive management of the Lux Industries Shareholder Group.

17.2 It is clarified that, on and from the Effective Date:

i) Lux and Cozi Shareholder Group B shall not fall within the definition of "promoter" or "promoter group" under Section 2(69) of the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and shall accordingly not form part of the promoter and promoter group of the Resulting Company 1 and Resulting Company 2, in accordance with Applicable Laws.

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ii) Hollyfield Traders Private Limited (including its successors-in-interest) shall not fall within the definition of "promoter" or "promoter group" under Section 2(69) of the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and shall accordingly not form part of the promoter and promoter group of the Resulting Company 2, in accordance with Applicable Laws.

17.3 Following the completion of the issuance and allotment of shares by the Resulting Companies to all the shareholders of the Demerged Company in accordance with this Scheme the following actions shall be undertaken:

i) The Lux and Cozi Shareholder Group A shall transfer their shareholding in the Demerged Company and Resulting Company 2 to Lux Industries Shareholder Group and Lux Global Shareholder Group respectively;

ii) The Lux Industries Shareholder Group shall transfer their respective shareholding in Resulting Company 1 and Resulting Company 2 to Lux and Cozi Shareholder Group A and Lux Global Shareholder Group respectively;

iii) The Lux Global Shareholder Group shall transfer their respective shareholding in Resulting Company 1 and Demerged Company to Lux and Cozi Shareholder Group A and Lux Industries Shareholder Group respectively.

17.4 Upon the Effective Date, the Demerged Company, Resulting Company 1 and Resulting Company 2 shall reconstitute their respective Boards of Directors to achieve the intent of Clause 17.1.

17.5 Upon consummation of transfer envisaged in Clause 17.3 of this Scheme, the Parties shall take all necessary steps under the Act and Applicable Laws to give effect to the same:

i) Lux Industries Shareholder Group and Lux Global Shareholder Group shall cease to be part of the promoter/promoter group of the Resulting Company 1.

ii) Lux Industries Shareholder Group and Lux and Cozi Shareholder Group A and Lux and Cozi Shareholder Group B shall cease to be part of the promoter/promoter group of the Resulting Company 2.

iii) Lux and Cozi Shareholder Group A and Lux and Cozi Shareholder Group B and Lux Global Shareholder Group shall cease to be part of the promoter/promoter group of the Demerged Company.

17.6 It is clarified that the transfer of equity shares of the Demerged Company, Resulting Company 1 and Resulting Company 2, and the consequent change in management and control of the respective companies, made in terms of Clause

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17 of this Scheme shall be pursuant to and is an integral part of this Scheme. Such transfer and change in control, being exempt under Regulation 10 of the Takeover Code, shall not trigger the open offer requirements in the Demerged Company, Resulting Company 1 and/or Resulting Company 2 under Regulation 3 or Regulation 4 of the Takeover Code.

17.7 Upon the Scheme becoming effective and the listing of the equity shares of the Resulting Companies, the promoter and promoter group of the Demerged Company, to the extent they become promoter and promoter group of the respective Resulting Companies pursuant to this Scheme, shall be entitled to avail the benefit of continuity of promoter holding and promoter status and the period for which they have been recognised as promoters/promoter group of the Demerged Company shall be considered for the corresponding purposes under the Takeover Code, including Regulation 10 thereof, subject to Applicable Laws.

17.8 All inter-family share transfers, gifts and other corporate actions required to effectuate the promoter and promoter group reclassification described in this shall be undertaken in compliance with applicable SEBI Regulations, including Regulation 31A of the SEBI LODR Regulations (which governs the reclassification of promoters and promoter group of listed companies).

17.9 All necessary steps, including making requisite disclosures to the Stock Exchanges, to give effect to such realignment within the aforesaid period. It is clarified that such inter-se transfers shall be carried out in compliance with all Applicable Laws, including the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Takeover Code.

17.10 Actions contemplated under Clause 17.3 relating to inter se transfer including realignment and reclassification of the shareholdings shall be completed within [12 (twelve) months] from the date of listing of equity shares of Resulting Company 1 and Resulting Company 2 on the Stock Exchanges in one or more tranches on the Stock Exchanges or otherwise.

18. <u>Scheme Conditional on Approval / Sanctions:</u>

18.1 The Scheme is conditional upon and subject to:

i) The Stock Exchanges having issued their observation/no-objection letters as required under the SEBI LODR Regulations read with the SEBI Schemes Master Circular;

ii) The Scheme being approved by requisite majorities of the members (and in relation to the Demerged Company, through e-voting) and/or creditors of the Demerged Company and the Resulting Companies as may be directed by the National Company Law Tribunal, Kolkata Bench;

iii) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority which by law may be necessary for the implementation of this Scheme;

iv) Approval of the Scheme by the National Company Law Tribunal, Kolkata

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v) The Stock Exchanges having issued their in-principle approval or no-objection letter for listing of the Resulting Company 1 New Shares and the Resulting Company 2 New Shares on the Stock Exchanges pursuant to the SEBI LODR Regulations and the SEBI Schemes Master Circular;

vi) The certified copies of the Sanction Order having been filed by each of the Parties with the RoC having jurisdiction over each of them respectively.

18.2 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

18.3 If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Boards of Directors of the Demerged Company and the Resulting Companies shall attempt to bring about a modification in this Scheme as will best preserve for the parties the benefits and obligations of this Scheme.

19. Application to the National Company Law Tribunal:

The Demerged Company and the Resulting Companies shall, with all reasonable dispatch, make applications (whether jointly or severally as appropriate) to the National Company Law Tribunal, Kolkata Bench, under Sections 230 to 232 of the Act and other applicable provisions, seeking orders for dispensing with or convening, holding and conducting of meetings of the classes of their respective members and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the National Company Law Tribunal.

20. Modifications / Amendments to the Scheme:

20.1 Subject to approval of the NCLT, the Demerged Company and the Resulting Companies, by their respective Boards of Directors, may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other Appropriate Authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate. The Boards of Directors of the Demerged Company and the Resulting Companies are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions arising out of or under or by virtue of this Scheme.

20.2 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, 1961 and Section 2 (35) and other applicable provisions of the Income Tax Act, 2025 and the demerger of each of the Vertical A Undertaking, Vertical B

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Undertaking and Vertical C Undertaking and their respective transfer and vesting into the Resulting Company 1, Demerged Company, Resulting Company 2, respectively shall be in compliance with the applicable provisions of the Income Tax Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the applicable sections of the Income Tax Act at a later date including as a result of an amendment of law or for any other reason whatsoever, the said provisions of the Income Tax Act shall prevail, and the Scheme shall stand modified to the extent determined necessary to comply with sections of the Income Tax Act. Such modification shall not affect the other parts of the Scheme.

21. Costs, Charges and Expenses:

All charges, fees, taxes including duties (including stamp duty and/or transfer charges and/or publication charges, if any, applicable in relation to this Scheme), levies and all other expenses payable to Appropriate Authority, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne in the ratio 2:2:1 between the Demerged Company, Resulting Company 1 and Resulting Company 2. Any other costs and expenses which are not in the nature of statutory payments (such as legal fees, professional costs, etc.) are to be borne by the Demerged Company and the Resulting Company 1 in equal proportion. The same shall be eligible for deduction of expenditure incurred as per Section 52 of Income Tax Act, 2025 (corresponding to Section 35DD of the Income-Tax Act, 1961). The costs, charges, taxes and expenses incurred in carrying out and implementing Part D of this Scheme shall be borne in a manner decided by the Demerged Company and the Resulting Companies. All such costs, charges and expenses incurred by the Demerged Company and/or the Resulting Companies in relation to this Scheme shall be allowed as deduction in accordance with Section 52 of Income Tax Act, 2025 (corresponding to Section 35DD of the Income Tax Act, 1961).

22. Withdrawal of this Scheme:

22.1 The Parties, acting through their respective Boards of Directors and only by unanimous agreement of all Boards, shall be at liberty to withdraw this Scheme at any time before the Scheme becomes effective.

22.2 In the event of withdrawal of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred amongst the Demerged Company and/or the Resulting Companies and/or their respective shareholders or creditors or employees or any other person.

23. Residual Provisions:

23.1 During the Implementation Period and any time thereafter, any tax refunds (other than export GST), duties, and other statutory refunds of whatsoever nature under Applicable Laws which are common to any of the verticals shall be credited to the joint bank account and will be allocated to the respective Verticals.

23.2 The Resulting Companies shall at any time upon the Scheme coming into effect

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and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Vertical A Undertaking and/ or Vertical C Undertaking to which the Demerged Company has been a party, in order to give formal effect to the above provisions.

23.3 Post the Effective Date, the Demerged Company and the Resulting Companies shall undertake necessary compliances under applicable exchange control laws in relation to export/import of goods for the period prior to the Effective Date. Consequently, compliances undertaken by Resulting Companies shall be deemed to be a compliance of the Demerged Company.

23.4 Notwithstanding anything contained in this Scheme, on or after the Effective Date, until any property, asset, Permit, legal proceeding or right relating to any Undertaking transferred pursuant to this Scheme business is transferred, vested, recorded, effected and/or perfected in the records of any Appropriate Authority or otherwise in favour of the respective Resulting Companies or the Demerged Company, as applicable, shall hold such property, asset, Permit or right in trust for and on behalf of the respective Resulting Company. The Demerged Company and the Resulting Companies shall, upon request, execute such further acts, deeds, documents and instruments as may be necessary to give effect to the provisions of this Scheme.

23.5 At any time after the Effective Date, the Resulting Company 1, the Resulting Company 2 and the Demerged Company shall, in accordance with Applicable Laws and if so required, be entitled to revise, *inter alia*, their respective financial statements, returns, filings, forms, submissions, calculations, amendments and annexures thereto before any Appropriate Authority, for a period prior to the Effective Date. It is clarified that any such revision shall be undertaken by the Demerged Company only at the instruction of the respective Resulting Company insofar as the same relates to, or is required in respect of, the concerned Undertaking, provided such revision(s) does not lead to any financial obligation on the Demerged Company, unless the concerned Resulting Company shall make good such obligation to the Demerged Company. If the Demerged Company undertakes any such revision pertaining to Vertical B Undertaking, which leads to financial obligation on any of the Resulting Companies, then the Demerged Company shall make good such obligation to such Resulting Company.

23.6 In the event of any doubt, difficulty or question arising with respect to the implementation of this Scheme, or in respect of any matter not specifically provided for or contemplated by this Scheme, or in respect of any matter which may be necessary or desirable to give effect to the provisions of this Scheme, the Boards of Directors of the Demerged Company and the Resulting Companies shall be empowered to take such decisions and give such directions as may, in their opinion, be necessary, expedient or desirable, and such decisions and directions shall be binding on all Parties. It is clarified that the exercise of such power shall be consistent with the spirit and intent of this Scheme and shall not be deemed to constitute an amendment or modification of this Scheme.

23.7 With a view to avoid any disruption of business, to ensure continuity of operations

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and exports and to maintain the same quality of product, with effect from the Effective Date, the Resulting Company 1 and Resulting Company 2 shall be entitled to use all packed and label stocks, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign boards, samples, closures and other publicity material ("**Marketing Material**") lying unused with the Vertical A Undertaking and Vertical C Undertaking or its vendors, suppliers or third party or in its supply chain or distribution channel, which the Demerged Company was entitled to use, under any statute or regulation within a period of 18 months commencing from the Effective Date without making any amendment on those goods or materials. It is clarified that no new stocks carrying name and address of the Demerged Company shall be printed, manufactured, produced, procured after the Effective Date by the Resulting Companies. Notwithstanding the continued use of the name and/or address of the Demerged Company in the Marketing Material, with effect from the Effective Date, all invoices, bills, receipts, credit notes, debit notes, payment-related documents and other commercial documents relating to the products, inventory and packaging materials pertaining to the Vertical A Undertaking or Vertical C Undertaking shall be raised, issued and/or executed, as applicable, in the name of the Resulting Company 1 and Resulting Company 2, as the case maybe.

23.8 With a view to avoid any disruption of business, to ensure continuity of operations and exports, with effect from the Effective Date, the Demerged Company shall be entitled to use all packed and label stocks, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign boards, samples, closures and other publicity material lying unused with the Vertical B Undertaking or its vendors, suppliers or third party or in its supply chain or distribution channel, which the Demerged Company was entitled to use, under any statute or regulation within a period of 18 months commencing from the Effective Date without making any amendment on those goods or materials. It is clarified that no new stocks carrying the existing address of the Demerged Company shall be printed, manufactured, produced, procured after the Effective Date by the Demerged Company.

23.9 On and from the Effective Date, the concerned bank(s) maintaining bank account(s) of the Demerged Company relating exclusively to the Vertical A Undertaking and Vertical C Undertaking, shall, upon production of a certified copy of the order of the NCLT sanctioning this Scheme, tag such bank account(s) with the bank account(s) of Resulting Company 1 and Resulting Company 2 respectively. Accordingly, the Resulting Company 1 and the Resulting Company 2 shall thereupon be entitled to operate, access, and deal with such tagged bank account(s), without requiring any separate consent, authorisation, fresh KYC, or any other formality in this regard.

23.10 The bank guarantee has been provided by the Demerged Company in respect of contingent liability in connection with employees' provident fund proceedings pending before the Hon'ble High Court at Calcutta in W.P. No. 22288 (W) of 2018 against which security has been provided jointly by Vertical A and Vertical B. Such security shall, on or before the Appointed Date, be replaced by fresh securities of equal proportion to be provided by Vertical A and Vertical B or Resulting Company 1 and Demerged Company, as the case may be.

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23.11 With effect from the Effective Date, the official website of the Demerged Company shall be www.luxindustries.com.

24. Subject to Clause 23.4, any dispute, difference or claim arising out of or in connection with this Scheme, including any question regarding its existence, validity, interpretation, implementation or termination, which cannot be resolved by mutual discussions between the Boards of Directors of the concerned Parties within 30 (thirty) days of such dispute being notified in writing by one Party to the other, shall be referred to and finally resolved by arbitration in accordance with the Arbitration and Conciliation Act, 1996, as amended from time to time. The arbitral tribunal shall consist of 1 (one) arbitrator. The seat and venue of arbitration shall be Kolkata, and the proceedings shall be conducted in the English language. The award of the arbitral tribunal shall be final and binding on the Parties. Pending the resolution of any dispute, the Parties shall continue to perform their respective obligations under this Scheme.

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