



Date of submission: December 12, 2025

To, The Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code – 539551(EQ), 975516, 976418	To, The Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 051 Scrip Code – NH
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Dear Sir/Madam,

Sub: Outcome of the meeting of the Board of Directors of Narayana Hrudayalaya Limited held on December 12, 2025 and Disclosure under Regulation 30 read with Regulations 37 and 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Approval of the Scheme of Arrangement between NH Integrated Care Private Limited (“Demerged Company/NHIC”), Narayana Hrudayalaya Limited (“Resulting Company/NHL”) and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”)

In compliance with Regulation 30 read with Regulation 37, Regulation 59A and Schedule III Part A Para A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”), we wish to inform you that the Board of Directors of the Company at its meeting held *today*, i.e. **December 12, 2025 (Friday)**, has considered and approved the Scheme of Arrangement between NH Integrated Care Private Limited, Narayana Hrudayalaya Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Scheme, *inter-alia*, provides for the demerger of the Clinical Services (*as defined in the Scheme*) undertaking from the Demerged Company into the Resulting Company on a going-concern basis. The Scheme also provides for various other matters consequent and incidental thereto.

The Scheme is subject to receipt of necessary Statutory and Regulatory approvals, including approval of the jurisdictional Hon’ble National Company Law Tribunal (“NCLT”), other regulatory authorities as may be applicable, and the Shareholders and Creditors (as applicable) of the Companies involved in the Scheme.

The Scheme is filed with the Stock Exchanges in terms of the provisions of Regulation 37(6) of Listing Regulations read with SEBI Circular Nos. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated May 21, 2024.

In terms of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, we are furnishing herewith the details of the Scheme in **Annexure I**.

The meeting of the Board of Directors commenced at 5.00 P.M. and ended at 5:25 P.M. IST.

This is for your information and records.

Thanking you

Yours faithfully
For **Narayana Hrudayalaya Limited**

Sridhar S.
Group Company Secretary, Legal & Compliance Officer

Encl.: as above

Annexure – I

Details pursuant to the SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024

Brief details of Demerger

Sl. No.	Particulars	Details
1.	Brief details of the division(s) to be demerged.	<p>The Scheme of Arrangement involves the following entities:</p> <ul style="list-style-type: none"> NH Integrated Care Private Limited (“Demerged Company/NHIC”); and Narayana Hrudayalaya Limited (“Resulting Company/NHL”). <p>Appointed Date for the Scheme is April 1, 2025.</p> <p>Scheme of Arrangement provides for the demerger of the Clinical Services undertaking of NHIC into NHL.</p> <p>The Clinical Services undertaking of NHIC, comprising 10 clinics located in Bengaluru, shall be demerged to NHL.</p> <p>Clinical Services refers to NHIC’s business of operating multiple clinics across Bengaluru with the objective of providing accessible, preventive and continuous integrated care. This excludes the Narayana Aarogyam preventive healthcare platform, which is also operated by NHIC and provides health screening, risk assessment, wellness coaching, and continuous monitoring services based on early detection and intervention prior to disease onset.</p>
2.	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year.	<p>The turnover of the Clinical Services undertaking of the Demerged Company for the year ended March 31, 2025 was Rs. 39.94 crore representing 1.11 % of the total standalone turnover of the Resulting Company for the year ended March 31, 2025.</p>
3.	Rationale for Demerger	<p>The separation of the Demerged Undertaking (<i>as defined in the Scheme</i>) will allow the Demerged Company exclusively pursue the preventive healthcare business, enabling sharper focus and growth in this niche segment, thereby enhancing shareholder value.</p> <p>Transfer of the Clinical Services undertaking to the Resulting Company will enable:</p> <p>(a) unified patient care pathways; (b) optimised deployment of medical specialists; (c) consolidated administrative and support functions; and (d) enhanced resource efficiency through integrated operations.</p>

Sl. No.	Particulars	Details
4.	Brief details of change in shareholding pattern (if any) of all entities.	<p>NHL There will be no change in the shareholding pattern of the Resulting Company as NHIC is a wholly owned subsidiary of NHL.</p> <p>NHIC NHL shall continue to hold 100% of equity share capital of NHIC and it shall continue to be the wholly owned subsidiary of NHL.</p>
5.	In case of cash consideration – amount or otherwise share exchange ratio.	The Scheme does not involve payment of any cash consideration for the Demerger. The Demerged Company is a wholly owned subsidiary of the Resulting Company and therefore there shall be no issuance of shares as consideration for the demerger of the Clinical Services undertaking from the Demerged Company into the Resulting Company.
6.	Whether listing would be sought for the resulting entity.	The Resulting Entity is a listed entity. There is no requirement of any new listing of shares as there is no consideration involved in the Demerger in view of the Demerged Company being a wholly owned subsidiary of the Resulting Company.

SCHEME OF ARRANGEMENT
OF
NH INTEGRATED CARE PRIVATE LIMITED
AND
NARAYANA HRUDAYALAYA LIMITED
AND
ITS SHAREHOLDERS AND CREDITORS

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013)

GENERAL

(A) PREAMBLE

This Scheme (*as defined hereinafter*) is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act (*as defined hereinafter*) and provides for the demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company (*as defined hereinafter*) into the Resulting Company (*as defined hereinafter*) on a going concern basis in accordance with the provisions of Section 2(19AA) of the Income-tax Act (*as defined hereinafter*). The Scheme also provides for various other matters consequent and incidental thereto.

(B) DESCRIPTION OF COMPANIES

1. **NH Integrated Care Private Limited**, a private limited company incorporated under the provisions of the Act (hereinafter referred to as “**NHIC**” or “**Demerged Company**”), bearing Corporate Identification Number (“**CIN**”) U85190KA2023PTC170155 and having its registered office at No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bommasandra Industrial Estate, Bengaluru – 560 099. NHIC is, inter alia, engaged in the business of operating multiple clinics across Bengaluru and aims to deliver accessible, preventive, and continuous integrated care. NHIC is a wholly owned subsidiary of NHL (*as defined hereinafter*).
2. **Narayana Hrudayalaya Limited**, a public limited company incorporated under the provisions of the Companies Act, 1956 (hereinafter referred to as “**NHL**” or “**Resulting Company**”), bearing CIN L85110KA2000PLC027497 and having its registered office at No. 258/A, Bommasandra Industrial Area, Anekal T.Q, Bengaluru – 562 158. NHL is, inter alia, engaged in the business of operating a network of hospitals and healthcare facilities that provide affordable, high-quality medical care. NHL specialises in cardiac surgery, cardiology, and a wide range of other medical services. The equity shares of NHL are listed and traded on BSE Limited and National Stock Exchange of India Limited.

(C) **RATIONALE FOR THE SCHEME**

1. **BACKGROUND AND OPERATIONAL CONSIDERATIONS**

- 1.1 The Demerged Company was incorporated to develop and operate primary and secondary care clinics independently of hospital-based tertiary care services.
- 1.2 Operational experience has demonstrated that the Demerged Undertaking has developed substantial dependencies on hospital infrastructure, particularly: (a) consultant doctors and specialists primarily engaged at hospital facilities; (b) advanced diagnostic services not viable at individual clinic locations; and (c) patient care pathways requiring tertiary care at hospital facilities.
- 1.3 Separate operation of clinics and hospitals has necessitated duplicate administrative functions (finance, HR, procurement, IT, marketing), resulting in increased costs, coordination inefficiencies, and the inability to realise economies of scale. Managing clinic operations has constrained the Demerged Company's ability to focus on its strategic priority of developing preventive healthcare capabilities.

2. **STRATEGIC FOCUS ON PREVENTIVE HEALTHCARE**

- 2.1 The Demerged Company also operates Narayana Aarogyam ("Aarogyam"), a preventive healthcare platform providing health screening, risk assessment, wellness coaching, and continuous monitoring services based on early detection and intervention prior to disease onset.
- 2.2 Aarogyam operates independently of hospital infrastructure through: (a) dedicated technology-enabled preventive testing centres; (b) scheduled appointment-based services without requiring on-call specialists or emergency capabilities; (c) minimal hospitalisation rates; and (d) predictable resource requirements without treatment-based operational variability.
- 2.3 The preventive healthcare sector presents significant growth opportunities from lifestyle disease prevalence, corporate wellness mandates, technological

advancements in digital health, and demonstrated investor interest in technology-enabled preventive healthcare platforms.

- 2.4 The separation of the Demerged Undertaking will allow the Demerged Company exclusively pursue the preventive healthcare business, enabling sharper focus and growth in this niche segment, thereby enhancing shareholder value.

3. CAPABILITIES OF THE RESULTING COMPANY

- 3.1 The Resulting Company operates a comprehensive network of multi-speciality hospitals providing tertiary care services with proven capabilities in managing dispersed healthcare facilities, delivering cost-effective care at scale, and integrating primary to tertiary care services.
- 3.2 Transfer of the Demerged Undertaking to the Resulting Company will enable: (a) unified patient care pathways; (b) optimised deployment of medical specialists; (c) consolidated administrative and support functions; and (d) enhanced resource efficiency through integrated operations.

4. POST-DEMERGER STRATEGIC DIRECTION

- 4.1 Post-demerger, the Demerged Company will concentrate exclusively on developing the Aarogyam preventive healthcare platform through: (a) digital-first, AI-powered service delivery; (b) comprehensive screening and monitoring programs; (c) asset-light, scalable expansion; and (d) strategic partnerships for population health management.
- 4.2 This separation enables management to: (a) dedicate resources to preventive healthcare without clinic operational constraints; (b) recruit specialised digital health expertise; (c) pursue preventive healthcare ecosystem partnerships; and (d) optimise capital allocation toward technology investments.

5. **BENEFITS OF THE SCHEME**

- 5.1 The Demerged Undertaking and Remaining Undertaking represent distinct business models with materially different value propositions, operating models, risk profiles, capital requirements, and growth drivers. Separation enables each entity to pursue tailored strategies with enhanced management focus.
- 5.2 The Resulting Company will consolidate duplicated administrative functions, optimise resource deployment under unified management, and achieve cost savings through integrated procurement, IT infrastructure, and working capital management.
- 5.3 The Demerged Company can direct capital toward preventive healthcare technology investments without competing demands. The Resulting Company will fund clinic infrastructure from its capital base.
- 5.4 The Scheme will: (a) unlock value from distinct business segments and enable enhanced valuations; (b) improve patient care coordination and service quality; (c) establish clearer organisational structures and career paths for employees; and (d) establish clear operational boundaries for governance and regulatory compliance.
- 5.5 The boards of directors of the Demerged Company and Resulting Company have determined that:
 - (a) The Scheme is in the best interests of both companies and their shareholders, creditors, employees, and stakeholders;
 - (b) The Scheme will facilitate strategic clarity, operational efficiency, enhanced stakeholder value, and sustainable growth;
 - (c) The terms of the Scheme are fair and reasonable; and
 - (d) The Scheme should be implemented pursuant to Sections 230 to 232 of the Act.

(D) **PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

1. **Part I** deals with the definitions, share capital of the Parties (*as defined hereinafter*) and date of taking effect and implementation of this Scheme;
2. **Part II** deals with the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company on a going concern basis; and
3. **PART III** deals with the general terms and conditions applicable to this Scheme.

PART I

**DEFINITIONS, SHARE CAPITAL OF THE PARTIES AND DATE OF TAKING EFFECT
AND IMPLEMENTATION OF THIS SCHEME**

1. DEFINITIONS

In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parentheses shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

- 1.1 **“Act”** means the Companies Act, 2013.
- 1.2 **“Applicable Law”** or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a person, as may be in force from time to time.
- 1.3 **“Appointed Date”** means April 1, 2025, or such other date as may be fixed or approved by the Tribunal.
- 1.4 **“Appropriate Authority”** means:
- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative sub-division thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof; and

- (b) any governmental, quasi-governmental or private body or agency lawfully exercising or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority, including, without limitation, the Tribunal.
- 1.5 **“Board”** in relation to a Party means the board of directors of such Party, and shall include a committee of directors or any person authorised by such board of directors or such committee of directors.
- 1.6 **“Clinical Services”** means the Demerged Company’s business of operating multiple clinics across Bengaluru and aiming at delivering accessible, preventive and continuous integrated care, excluding the Aarogyam preventive healthcare platform.
- 1.7 **“Demerged Undertaking”** means the Clinical Services together with all business units, undertakings, assets, properties, investments (direct and indirect), and liabilities of whatsoever nature and kind, and wherever situated, of the Demerged Company, in relation to and pertaining to the Clinical Services. Without prejudice to the generality of the provisions of the foregoing, the Demerged Undertaking shall include:
 - (a) all properties and assets of the Demerged Company, including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, but not limited to plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, recoverable, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licences, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company with respect to the Clinical Services;

- (b) Demerged Undertaking Liabilities;
- (c) all contracts, agreements, schemes, arrangements and any other instruments for the purpose of carrying on the business of the Clinical Services;
- (d) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, and municipal permissions pertaining to the Clinical Services;
- (e) all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax, deferrals, advance taxes, tax deducted/ collected at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and services tax credit, deductions and benefits under the Income-tax Act or any other Taxation statute or Applicable Law enjoyed by the Demerged Company with respect to the Clinical Services;
- (f) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Clinical Services;
- (g) all books, records, files, papers, engineering and process information, computer programs, software licences (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Clinical Services; and
- (h) all employees employed in the conduct of the Clinical Services.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability, or employee, pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company.

- 1.8 **“Demerged Undertaking Liabilities”** means the liabilities as defined in Clause 4.8 of the Scheme.
- 1.9 **“Effective Date”** means the last of the dates on which the order of the Tribunal, sanctioning this Scheme, is obtained and filed by the Demerged Company and the Resulting Company with the Registrar of Companies.

Reference in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“effect of this Scheme”** or **“upon the Scheme becoming effective”** shall mean the Effective Date;

- 1.10 **“Income-tax Act”** means the Income-tax Act, 1961.
- 1.11 **“Parties”** means the Demerged Company and the Resulting Company, collectively and **“Party”** shall mean each of them, individually.
- 1.12 **“Permits”** means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under the Applicable Law.
- 1.13 **“Person”** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organisation or an Appropriate Authority.
- 1.14 **“Remaining Undertaking”** means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company, including Aarogyam, but excluding the Demerged Undertaking.
- 1.15 **“RoC”** means the relevant jurisdictional Registrar of Companies having jurisdiction over the Demerged Company and the Resulting Company, as the case may be.
- 1.16 **“Rs” or “Re” or “Rupee(s)”** means Indian Rupee, the lawful currency of the Republic of India.

- 1.17 **“Scheme”** means this scheme of arrangement as modified from time to time.
- 1.18 **“Tax Laws”** means all the Applicable Laws dealing with Taxes, including but not limited to income tax, wealth tax, sales tax/ value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of a similar nature.
- 1.19 **“Taxation” or “Tax” or “Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties and all penalties, charges, costs and interest relating thereto.
- 1.20 **“Tribunal”** means the relevant bench of the National Company Law Tribunal having jurisdiction over the Demerged Company and the Resulting Company, as the case may be.
- 1.21 In this Scheme, unless the context otherwise requires:
- (a) words denoting the singular shall include the plural and *vice versa*;
 - (b) headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the Scheme;
 - (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 as prescribed to them under the Act, Income-tax Act, or any other Applicable Law, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof from time to time; and
 - (d) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-

enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder.

2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on September 30, 2025, is as follows:

Particulars	Amount (Rs.)
Authorised share capital	
1,00,000 equity shares of Rs. 10/- each	10,00,000
Total	10,00,000
Issued, subscribed and paid-up capital	
50,000 equity shares of Rs. 10/- each	5,00,000
Total	5,00,000

2.2 The share capital of the Resulting Company as on September 30, 2025, is as follows:

Particulars	Amount (Rs.)
Authorised share capital	
30,90,00,000 equity shares of Rs. 10 each	3,09,00,00,000
7,10,00,000 preference shares of Rs. 10 each	71,00,00,000
Total	3,80,00,00,000
Issued, subscribed and paid-up capital	
20,43,60,804 equity shares of Rs. 10 each	2,04,36,08,040
Total	2,04,36,08,040

2.3 The Resulting Company has also filed an application with the National Company Law Tribunal, Bengaluru Bench, concerning the amalgamation of Meridian Medical Research & Hospital Limited into the Resulting Company on September 27, 2025. The said scheme provides for allotment of shares by the Resulting Company as consideration for the amalgamation. The share capital of the Resulting Company after giving effect to the said scheme and allotment of shares thereto shall be as under:

Particulars	Amount (Rs.)
Authorised share capital	
34,40,00,000 equity shares of Rs. 10 each	3,44,00,00,000
7,10,00,000 preference shares of Rs. 10 each	71,00,00,000
Total	4,15,00,00,000
Issued, subscribed and paid-up capital	
20,44,87,981 equity shares of Rs. 10 each	2,04,48,79,810
Total	2,04,48,79,810

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme, in its present form or with any modification(s) made as per Clause 17 of this Scheme, shall become effective from the Appointed Date but shall be operative from the Effective Date.

PART II

DEMERGER OF THE DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY ON A GOING CONCERN BASIS

4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 4.1 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(19AA) of the Income-tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Demerged 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 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 by virtue of operation of law, and in the manner provided for in this Scheme.
- 4.2 The demerger proposed under the Scheme complies with the definition of “demerger” under Section 2(19AA) and other provisions of the Income-tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with the provisions of the Income-tax Act, then this Scheme shall be modified by the Board to be in compliance with Section 2(19AA) of the Income-tax Act.
- 4.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly.

- 4.4 With respect to the moveable assets of the Demerged Undertaking other than those referred to in Clause 4.3 above, including all rights, titles and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/ or be deemed to be transferred to the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company. With regard to the licences of the properties, the Resulting Company will enter into novation agreements, if it is so required.
- 4.5 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of account of the Demerged Company, including rights, interests and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/ or the Resulting Company.
- 4.6 For the avoidance of doubt and without prejudice to the generality of Clause 4.5 above and Clause 4.7 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, if any, the Demerged Company and the Resulting Company shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant sub-registrar of assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.6 or Clause 4.7 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme.

- 4.7 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, if any, situated in states other than the state of Karnataka, whether owned or leased, for the purpose of, inter alia, payment of stamp duty and transfer to the Resulting Company, if the Resulting Company so decides, the Demerged Company and the Resulting Company, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, if any, only for the purposes of the payment of stamp duty (if required under the Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.
- 4.8 Upon effectiveness of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking ("**Demerged Undertaking Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company. The term 'Demerged Undertaking Liabilities' shall include:
- (a) the debts, liabilities, obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
 - (b) the specific loans or borrowings (including notes and other debt securities raised, incurred and utilised solely for the activities or operations of the Demerged Undertaking); and
 - (c) in cases other than those referred to in Clauses 4.8 (a) or 4.8 (b) above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

However, Tax liabilities and Tax demands or refunds received or to be received by the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Undertaking shall not be transferred as part of the Demerged Undertaking to the Resulting Company.

- 4.9 Post the Effective Date, the Demerged Company may, at the request of the Resulting Company, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes.
- 4.10 In so far as encumbrances, if any, in respect of the Demerged Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities. The Demerged Company shall provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. Insofar as the assets comprising the Remaining Business are concerned, the encumbrance, if any, over such assets pertaining to the Demerged Undertaking Liabilities is concerned, shall, without any further act, instrument, or deed being required, be released and discharged from the encumbrances relating to the same. The Resulting Company may provide such other security as may be agreed between the Resulting Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender, trustee, or third party shall not affect the operation of the above.

- 4.11 Subject to Clause 4 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.12 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.
- 4.13 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Demerged Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever.
- 4.14 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company shall, wherever necessary, enter into and/ or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this clause.

- 4.15 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Demerged Undertaking transferred to and registered, in the name of the Resulting Company, as per the Applicable Law.
- 4.16 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act, in respect of this Scheme by the Tribunal, the Resulting Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company, in relation to the Demerged Undertaking, is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc, as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all Taxes and charges and fulfil all obligations in relation to or applicable to immovable properties, if any, including mutation and/ or substitution of the ownership or the title to or interest in the immovable properties, if any, which shall be made and duly recorded by the Appropriate Authorities in favour of the Resulting Company pursuant to the sanction of this Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company. It is clarified that the Resulting Company 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.

5. EMPLOYEES

- 5.1 With effect from the Effective Date, all employees of the Demerged Company engaged in or in relation to the Demerged Undertaking shall become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service.
- 5.2 The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with the Applicable Law and caused to be recognised by the Appropriate Authorities or to the funds nominated by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of the Demerged Company.

6. LEGAL PROCEEDINGS

- 6.1 Upon coming into effect of this Scheme, all demands, claims, show cause notices, suits, actions, administrative proceedings, tribunals proceedings, legal and other dispute resolution proceedings of whatsoever nature by or against the Demerged Company pending on the Effective Date relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as a party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company, and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.

- 6.2 The Resulting Company undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. Both the Parties shall make relevant applications and take all steps as may be required in this regard.
- 6.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

7. CONSIDERATION

The Demerged Company is a wholly owned subsidiary of the Resulting Company and therefore there shall be no issue of shares as consideration for the transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company.

8. ACCOUNTING TREATMENT

The Demerged Company and the Resulting Company shall comply with generally accepted accounting principles in India, provisions of the Act and accounting standards as notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, in relation to the transactions in the Scheme, including but not limited to the following:

8.1 In the books of account of the Demerged Company

Upon Part II of the Scheme coming into effect, the Demerged Company shall account for the demerger in its books of account in the following manner:

- (a) The Demerged Company shall de-recognise the carrying values of (i) assets; (ii) liabilities; and (iii) reserves/ retained earnings of the Demerged Undertaking as on the Appointed Date, to the extent identified and being transferred to the Resulting Company pursuant to this Scheme; and
- (b) The difference, if any after incorporating the amounts as per paragraph 8.1 (a) above, shall be recognised as Capital Reserves and presented separately from other reserves in case of a credit balance. If such difference is a debit balance, the amount shall be accounted under Retained Earnings.

8.2 In the books of account of the Resulting Company

Upon the Scheme coming into effect, the Resulting Company shall account for the demerger in its books of account in the following manner:

- (a) Notwithstanding anything to the contrary contained in any other clause in the Scheme, Resulting Company shall give effect to the Scheme in the books of account in accordance with the "Pooling of Interest" method as laid down in Appendix C of Indian Accounting Standard 103 - Business Combinations, prescribed under Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the generally accepted accounting principles in India.
- (b) The Resulting Company shall record all assets, liabilities and reserves/ retained earnings, if any, of the Demerged Undertaking to the extent identified and transferred to it in pursuance of this Scheme at their respective book values and in the same form and manner as appearing in the books of account of the Demerged Company;
- (c) The difference, if any, after incorporating the amounts as per paragraph 8.2 (b) above, shall be recognised as Capital Reserves and presented separately in case

of a credit balance. If such difference is a debit balance, the amount shall be recorded under the head Business Reconstruction Reserves. The nature of such reserves shall be explained by way of a note in the financial statements.

- (d) Pursuant to the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, the intercompany balances, including loans, advances and optionally convertible debentures, pertaining to the Demerged Undertaking, outstanding between the Resulting Company and the Demerged Company shall stand cancelled and there shall be no further obligation in that behalf;
- (e) If the accounting policies adopted by the Resulting Company are different from those adopted by the Demerged Company, the assets, liabilities and reserves/ retained earnings of the Demerged Undertaking shall be accounted in the books of account of the Resulting Company adopting uniform accounting policies consistent with the accounting policies followed by the Resulting Company; and
- (f) The comparative financial information in the financial statements of the Resulting Company shall be restated as if the demerger has occurred from the beginning of the comparative period presented or the date of incorporation of the Resulting Company, whichever is later.

9. VALIDITY OF EXISTING RESOLUTIONS, ETC.

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

resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in the Resulting Company.

- 9.2 In terms of Regulation 23 read with Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), wherever applicable, the Resulting Company has taken approval of its shareholders for the related party transaction(s) (as defined in LODR Regulations) between the Demerged Company and its related parties with respect to the business of the Demerged Undertaking. Upon effectiveness of the Scheme, the Resulting Company will step into the shoes of the Demerged Company with respect to such related party transaction(s) and shall become a party on the same terms and conditions. As an integral part of this Scheme, the approval of the shareholders of the Resulting Company for such related party transaction(s), wherever applicable, shall be deemed to be the approval for the Resulting Company to be party to such related party transaction(s) on and with effect from the Appointed Date.

10. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 10.1 The Remaining Undertaking shall continue to belong to and be owned and managed by the Demerged Company. The Demerged Company shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Remaining Undertaking, and the Resulting Company shall not have any liability or obligation in relation to the Remaining Undertaking.
- 10.2 If the Resulting Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Undertaking, the Resulting Company shall take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to get the Demerged Company so substituted in such proceedings, the Resulting Company shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

11. TAXES, DUTIES & CESS

- 11.1 If the Demerged Company is entitled to any unutilised credits (including accumulated losses and unabsorbed depreciation), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal/ investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax Law or Applicable Law, the Resulting Company shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilization to the Resulting Company in accordance with the Applicable Law.
- 11.2 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/ or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.

PART III

GENERAL TERMS AND CONDITIONS

12. SAVING OF CONCLUDED TRANSACTIONS

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

13. BUSINESS UNTIL EFFECTIVE DATE

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

- (a) The Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto; and
- (b) The Resulting Company shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the relevant business that is being transferred and vested in terms of this Scheme.

13.2 The Demerged Company in relation to the Demerged Undertaking, with effect from the Appointed Date and up to and including the Effective Date:

- (a) shall be deemed to have been carrying on and shall carry on its businesses and activities and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company;

- (b) all profits or income arising or accruing to the Demerged Company in relation to the Demerged Undertaking and all Taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, Taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company shall, be treated as and deemed to be the profits or income, taxes or losses of the Resulting Company, as the case may be; and
- (c) all loans raised and all liabilities and obligations incurred by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company, respectively in which it shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act, instrument or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company, as the case maybe.

14. FACILITATION PROVISIONS

- 14.1 For demerger of the Demerged Undertaking, the Demerged Company is permitted to align its businesses with that of the Resulting Company and remeasure its assets and/ or liabilities, the effect of which shall be adjusted against the retained earnings of the Demerged Undertaking.
- 14.2 The treatment effected in the books of account of the Demerged Company pursuant to the Scheme shall *mutatis mutandis* be reflected in the consolidated financial statements of the Resulting Company as per the requirements of Section 129 of the Act.

15. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after the Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Company in relation to the Demerged Undertaking is transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of

the Resulting Company, the Resulting Company is deemed to be authorised to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Parties, the Demerged Company will continue to hold the property and/ or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, in trust for and on behalf of the Resulting Company.

16. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

17. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 17.1 The Board of the Parties acting jointly may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. Any modification or amendment to the Scheme by the Board of the Parties pursuant to this Clause 17.1 shall not require any further approval/ consent from the shareholders and/or creditors if the shareholders and/or creditors have already approved/ consented to the Scheme. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 17.2 For the purpose of giving effect to this Scheme, the Board of either of the Parties may give such directions, including directions for settling any question or difficulty that may arise, and such directions shall be binding as if the same were specifically incorporated in this Scheme and duly approved by the Tribunal.

18. WITHDRAWAL OF THIS SCHEME

The Board of the Parties, acting jointly, shall be at liberty to withdraw the Scheme at any time before it becomes effective.

19. COST AND EXPENSES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively, in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall be paid by the Resulting Company.