

Price Waterhouse & Co Chartered Accountants LLP

To,
The Board of Directors,
Aditya Birla Fashion and Retail Limited
Piramal Agastya Corporate Park, Building A
4th and 5th Floor, Unit No.401, 403, 501, 502
L.B.S Road, Kurla, Mumbai City
Maharashtra 400070

Auditor's Certificate on compliance of the proposed accounting treatment in the Draft Scheme of Arrangement with the applicable accounting standards and the resultant entity's capability of payment of interest/ repayment of principal with SEBI Listing Regulations and Circulars

- 1) This certificate is issued in accordance with the terms of our agreement dated April 19, 2024.
- 2) We, the statutory auditors of Aditya Birla Fashion and Retail Limited (hereinafter referred to as "the Company" or the "Demerged Company"), have examined:
 - a) the proposed accounting treatment specified in clause 9 to Part II of the Draft Scheme of Arrangement between the Company and Aditya Birla Lifestyle Brands Limited (the "Resultant Company") and their respective shareholders and creditors (the "Draft Scheme") as approved by the Board of Directors of the Company in their meeting held on April 19, 2024, in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), the SEBI Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 (updated on June 30, 2023) (the "Master Circular") and the Operational Circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 (as updated on December 1, 2022) (the "Operational Circular"), both issued by SEBI (together referred to as the "SEBI Circulars"), as per serial number 11 under 'Documents required to be submitted for obtaining No-objection letter of the Exchange under Regulation 59A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, (LODR Regulations) read with Circular issued thereunder for the Scheme of Amalgamation / Arrangement (including reduction in capital, arrangement with creditors, etc.) proposed to be filed under Sections 230-234 and Section 66 of Companies Act, 2013, by entity that has listed its non-convertible debt securities (NCDs) or non-convertible redeemable preference shares (NCRPS) issued by Bombay Stock Exchange ("BSE") ('BSE Checklist') and the applicable accounting standards specified under Section 133 of the Act (the 'applicable accounting standards') and other generally accepted accounting principles; and
 - b) the accompanying Declaration prepared by the management of the Company, certifying that the Resultant Company is capable of payment of interest/repayment of principal of Non-convertible Debentures ("NCDs") being transferred to the Resultant Company pursuant to the clause 4.2.6 to Part II of the Draft Scheme, as per the Operational Circular and BSE Checklist (the "Undertaking").

We have initialed clauses 9 and 4.2.6 to Part II of the Draft Scheme in relation to Proposed Accounting Treatment and the Undertaking for identification purpose only.



Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560 008
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

Registered office and Head office: Plot No. 56 & 57, Block DN, Sector-V, Salt Lake, Kolkata - 700 091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

Management's Responsibility

- 3) The responsibility for the preparation of the Draft Scheme, the Undertaking and its compliance with the Act and SEBI Listing Regulations and the SEBI Circulars, including the applicable accounting standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company.

Auditor's Responsibility

- 4) Pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act read with the SEBI Circulars, our responsibility is to examine the Draft Scheme and the Undertaking and certify:
 - a) whether the accounting treatment contained in clause 9 to Part II of the Draft Scheme is in compliance with the SEBI Listing Regulations and the Master Circular and the applicable accounting standards specified under Section 133 of the Act and other generally accepted accounting principles; and
 - b) based on the procedures performed as listed in paragraph 7 below, whether anything has come to our attention that causes us to believe that the Resultant Company is not capable of payment of interest/ repayment of principal of NCDs as on April 19, 2024, as per the Operational Circular.
- 5) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- 7) A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph 5 above. The procedures performed vary in the nature and timing from, and are less extent than for, a reasonable assurance and consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, in carrying out our examination of the Undertaking, we have performed the following procedures:
 - a) Obtained the list of the borrowings and NCDs proposed to be transferred including their due dates for repayment.
 - b) Traced the contractual terms of borrowings and NCDs to the trust deeds and underlying agreements.
 - c) Obtained the Statement of assets and liabilities and Statement of Profit or Loss after tax for the Transferor Company and the Demerged undertaking, including basis of preparation of such statement as at December 31, 2023, as prepared by the Management and adopted by the Board of directors (together referred to as the 'Statement')
 - d) Agree the financial information given in the Statement to the underlying sub-ledgers, registers and other books and records.
 - e) Tested amount of financial information in the Statement, as drawn from the general ledger and registers to the relevant supporting documentation maintained by the Company on a sample basis.
 - f) Checked the mathematical accuracy of the total assets and total liabilities (including NCD) and check if the total assets is greater than total liabilities.
 - g) Checked the mathematical accuracy for the calculation of current ratio



Price Waterhouse & Co Chartered Accountants LLP

Conclusion

8. Based on our examination and according to the information and explanations given to us,
- a) pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act read with the SEBI Circulars, we confirm that the accounting treatment contained in clause 9 to Part II of the Draft Scheme is in compliance with the SEBI Listing Regulations and the Master Circular and the applicable accounting standards specified under Section 133 of the Act, and other generally accepted accounting principles; and
 - b) along with the procedures performed as stated in paragraph 7 above, nothing has come to our attention that causes us to believe that the Resultant Company is not capable of payment of interest/repayment of principal of the NCDs being transferred to it pursuant to clause 4.2.6 to Part II of the Draft Scheme, as at April 19, 2024.

Restriction on Use

9. Our work was performed solely to assist you in meeting the requirements of the Act and the SEBI Circulars to enable the Company to file the Draft Scheme with the BSE, National Stock Exchange Limited ('NSE') and the National Company Law Tribunal (NCLT). Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as auditors of the Company or otherwise. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
10. This Certificate is issued at the request of the Board of Directors of the Company to whom it is addressed, for onward submission to the BSE, NSE and the NCLT and should not be used for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save except where expressly agreed by our prior consent in writing.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009



A. J. Shaikh

Partner

Membership No.: 203637

UDIN : 24203637BKENKY5978

Place: Bangalore

Date: April 19, 2024



April 19, 2024

Price Waterhouse & Co Chartered Accountants LLP
The Millenia, Tower D,
5th Floor, 1 & 2, Murphy Road,
Ulsoor, Bangalore 560008

Declaration on Aditya Birla Lifestyle Brands Limited's ('Resulting Company' or 'Company') capability of payment of interest and/or repayment of principal amount of the Non-convertible Debentures pursuant to Circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 and amended as on December 1, 2022 (the "Operational Circular")

Dear Sirs

1. This is regarding the Scheme of Arrangement between Aditya Birla Fashion and Retail Limited (Demerged Company) and Aditya Birla Lifestyle Brands Limited as approved by the Board of Directors ('Scheme') of the Company in their meeting held on April 19, 2024.
2. In connection with the requirement in Para (A)(6) of Part I of Annex XII-A under Chapter XII of the Operational Circular in connection with the Scheme, the Board of Directors of the Company have reviewed the outstanding principal in respect of Non-convertible Debentures and interest thereon, proposed to be transferred to the Resulting Company pursuant to the Scheme ('NCD').
3. Based on the provisional balances of assets and liabilities of the demerged undertaking which are proposed to be transferred to the Resulting Company, the Board of Directors have determined that the demerged undertaking has a current ratio greater than 1 and the total assets of the demerged undertaking are greater than the total liabilities (including NCD) as at December 31, 2023. Further demerged undertaking is expected to generate cash flows.
4. Accordingly, the Board of Directors of the Company hereby confirms, that the total outstanding principal in respect of NCD and interest thereon, as referred in serial no. 2 above, will get discharged in the due course as set out in the relevant Non-convertible Debenture trust deeds. The said Scheme of Arrangement with the Resulting Company will not impair its capability to service the principal and interest payable on issued NCD.

For Aditya Birla Fashion and Retail Limited


Jagdish Bajaj
Chief Financial Officer



ADITYA BIRLA FASHION AND RETAIL LIMITED

Registered Office:

Piramal Agastya Corporate Park, Building 'A', 4th
and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S.
Road, Kurla, Mumbai - 400 070

CIN: L18101MH2007PLC233901
Tel.: +91 86529 05000
Fax: +91 86529 05400

Website: www.abfrl.com
E-mail: secretarial@abfrl.adityabirla.com

- 4.2.3 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 the Demerged Company, including rights, interest 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;
- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, 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 4.2.4 or Clause 4.2.5 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;
- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, 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, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 4.2.6 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 Liabilities**”) shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date. The term “Demerged Liabilities” shall include:
- 4.2.6.1 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;
- 4.2.6.2 specific loans or borrowings, if any; and
- 4.2.6.3 in cases other than those referred to in Clauses 4.2.6.1 or 4.2.6.2 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, including Transferring NCDs;
- 4.2.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to its Remaining Business and the Resulting Company shall not have any obligations in respect of the debts, liabilities, duties and obligations



- 8.12 It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the alteration of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company shall pay the requisite stamp duty and RoC fees and shall file the required returns/ information/ amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.
- 8.13 The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Schemes Master Circular and other relevant provisions as may be applicable. The Resulting Company New Equity Shares allotted by the Resulting Company in terms of Clause 8.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 8.14 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

9. ACCOUNTING TREATMENT

9.1 In the books of the Demerged Company

9.1.1 Notwithstanding anything to the contrary contained herein, the Demerged Company shall give effect to the demerger of the Demerged Undertaking in accordance with the accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as notified under Section 133 of the Act (“Ind AS”), as amended and on the date as determined under Ind AS. The accounting in the books of the Demerged Company is as follows:

- 9.1.1.1 The Demerged Company shall derecognise from its books of accounts, the carrying amount of assets and liabilities pertaining to the Demerged Undertaking;
- 9.1.1.2 The excess of the carrying amount of assets transferred over the carrying amount of liabilities transferred shall be debited to appropriate reserve within equity; and
- 9.1.1.3 The Demerged Company shall derecognise the carrying amount of investments in the Resulting Company cancelled pursuant to the Scheme.

9.2 In the books of the Resulting Company

9.2.1 Notwithstanding anything to the contrary contained herein, the Resulting Company shall account for the acquisition of the Demerged Undertaking in its books of accounts by applying the principles prescribed in Indian Accounting Standard 103, Business Combinations, Appendix C - Business combinations of entities under common control and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as notified under Section 133 of the Companies Act, 2013 and on the date determined in accordance with Ind AS. The Resulting Company shall account for acquisition of Demerged Undertaking as follows:

- 9.2.1.1 Resulting Company shall recognise the assets and liabilities of the Demerged Undertaking, at their respective carrying amounts as appearing in the books of the Demerged Company;
- 9.2.1.2 The Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the shares issued by the Resulting Company to the Demerged Company for cancelled shares and credit capital reserve for the same



A handwritten signature in black ink, appearing to be 'A. B. S.', written over a horizontal line.



amount;

9.2.1.3 The difference, if any, between the carrying amount of the net assets of the Demerged Undertaking acquired and the aggregate face value of the shares issued to the shareholders of the Demerged Company shall be adjusted to capital reserve;

9.2.1.4 The financial statements of the Resulting Company shall be restated in accordance with the requirements of Appendix C of Ind AS 103; and

9.3 Any matter not dealt with in this Clause 9 hereinabove shall be dealt with in accordance with the applicable Ind AS.

10. REDUCTION AND CANCELLATION OF ENTIRE PRE-SCHEME SHARE CAPITAL OF THE RESULTING COMPANY

10.1 Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company shall stand cancelled and reduced, without any consideration and without any further act, instrument or deed, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme and the Parties shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately. The aforesaid reduction of capital does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

10.2 It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.

10.3 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

11. REMAINING BUSINESS OF THE DEMERGED COMPANY

11.1 The Remaining Business of the Demerged Company 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 Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.

11.2 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 Business of the Demerged Company, 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 replace the Demerged Company in such proceedings, the Resulting Company shall defend the same or deal with such demand 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.

12. AMENDMENT TO ARTICLES OF ASSOCIATION OF THE RESULTING COMPANY

12.1 The articles of association of the Resulting Company, if required, shall stand amended and restated to comply with the provisions required for listed company.

12.2 The amendments pursuant to this Clause 12 shall become operative upon the effectiveness of the Scheme by virtue of the fact that the shareholders of the Resulting Company, while approving the



[Handwritten signature]



Price Waterhouse & Co Chartered Accountants LLP

To,
The Board of Directors,
Aditya Birla Lifestyle Brands Limited
Piramal Agastya Corporate Park, Building A
4th and 5th Floor, Unit No.401, 403, 501, 502
L.B.S Road, Kurla, Mumbai City
Maharashtra 400070

Auditor's Certificate on compliance of the proposed accounting treatment in the Draft Scheme of Arrangement with the applicable accounting standards

- 1) This certificate is issued in accordance with the terms of our agreement dated April 19, 2024.
- 2) We, the statutory auditors of Aditya Birla Lifestyle Brands Limited (hereinafter referred to as "the Company" or the "Resultant Company"), have examined the proposed accounting treatment specified in clauses 9.2 and 9.3 to Part II of the Draft Scheme of Arrangement between the Company and Aditya Birla Fashion and Retail Limited (the "Demerged Company") and their respective shareholders and creditors (the "Draft Scheme") as approved by the Board of Directors of the Company in their meeting held on April 19, 2024, in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "Act") and the applicable accounting standards specified under Section 133 of the Act (the 'applicable accounting standards') and other generally accepted accounting principles.

We have initialed clauses 9.2 and 9.3 to Part II of the Draft Scheme in relation to Proposed Accounting Treatment for identification purpose only.

Management's Responsibility

- 3) The responsibility for the preparation of the Draft Scheme and its compliance with the Act, including the applicable accounting standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company.

Auditor's Responsibility

- 4) Pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act, our responsibility is to examine the Draft Scheme and certify whether the accounting treatment contained in clauses 9.2 and 9.3 to Part II of the Draft Scheme is in compliance with the applicable accounting standards specified under Section 133 of the Act and other generally accepted accounting principles.
- 5) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

- 7) Based on our examination and according to the information and explanations given to us, pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act read with the SEBI Circulars, we confirm that the accounting treatment contained in clauses 9.2 and 9.3 to Part II of the Draft Scheme is in compliance with the applicable accounting standards specified under Section 133 of the Act, and other generally accepted accounting principles.

Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560 008
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

Registered office and Head office: Plot No. 56 & 57, Block DN, Sector-V, Salt Lake, Kolkata - 700 091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)



Price Waterhouse & Co Chartered Accountants LLP

Restriction on Use

- 8) Our work was performed solely to assist you in meeting the requirements of the Act to enable the Company to file the Draft Scheme with the National Company Law Tribunal (NCLT). Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as auditors of the Company or otherwise. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 9) This Certificate is issued at the request of the Board of Directors of the Company to whom it is addressed, for onward submission to the NCLT and should not be used for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save except where expressly agreed by our prior consent in writing.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009



A. J. Shaikh

Partner

Membership No.: 203637

UDIN: 24203637BKENZ7019

Place: Bangalore

Date: April 19, 2024

- 8.12 It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the alteration of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company shall pay the requisite stamp duty and RoC fees and shall file the required returns/ information/ amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.
- 8.13 The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Schemes Master Circular and other relevant provisions as may be applicable. The Resulting Company New Equity Shares allotted by the Resulting Company in terms of Clause 8.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 8.14 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

9. ACCOUNTING TREATMENT

9.1 In the books of the Demerged Company

9.1.1 Notwithstanding anything to the contrary contained herein, the Demerged Company shall give effect to the demerger of the Demerged Undertaking in accordance with the accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as notified under Section 133 of the Act (“Ind AS”), as amended and on the date as determined under Ind AS. The accounting in the books of the Demerged Company is as follows:

9.1.1.1 The Demerged Company shall derecognise from its books of accounts, the carrying amount of assets and liabilities pertaining to the Demerged Undertaking;

9.1.1.2 The excess of the carrying amount of assets transferred over the carrying amount of liabilities transferred shall be debited to appropriate reserve within equity; and

9.1.1.3 The Demerged Company shall derecognise the carrying amount of investments in the Resulting Company cancelled pursuant to the Scheme.

9.2 In the books of the Resulting Company

9.2.1 Notwithstanding anything to the contrary contained herein, the Resulting Company shall account for the acquisition of the Demerged Undertaking in its books of accounts by applying the principles prescribed in Indian Accounting Standard 103, Business Combinations, Appendix C - Business combinations of entities under common control and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as notified under Section 133 of the Companies Act, 2013 and on the date determined in accordance with Ind AS. The Resulting Company shall account for acquisition of Demerged Undertaking as follows:

9.2.1.1 Resulting Company shall recognise the assets and liabilities of the Demerged Undertaking, at their respective carrying amounts as appearing in the books of the Demerged Company;

9.2.1.2 The Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the shares issued by the Resulting Company to the Demerged Company for cancelled shares and credit capital reserve for the same



amount;

9.2.1.3 The difference, if any, between the carrying amount of the net assets of the Demerged Undertaking acquired and the aggregate face value of the shares issued to the shareholders of the Demerged Company shall be adjusted to capital reserve;

9.2.1.4 The financial statements of the Resulting Company shall be restated in accordance with the requirements of Appendix C of Ind AS 103; and

9.3 Any matter not dealt with in this Clause 9 hereinabove shall be dealt with in accordance with the applicable Ind AS.

10. REDUCTION AND CANCELLATION OF ENTIRE PRE-SCHEME SHARE CAPITAL OF THE RESULTING COMPANY

10.1 Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company shall stand cancelled and reduced, without any consideration and without any further act, instrument or deed, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme and the Parties shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately. The aforesaid reduction of capital does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

10.2 It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.

10.3 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

11. REMAINING BUSINESS OF THE DEMERGED COMPANY

11.1 The Remaining Business of the Demerged Company 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 Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.

11.2 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 Business of the Demerged Company, 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 replace the Demerged Company in such proceedings, the Resulting Company shall defend the same or deal with such demand 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.

12. AMENDMENT TO ARTICLES OF ASSOCIATION OF THE RESULTING COMPANY

12.1 The articles of association of the Resulting Company, if required, shall stand amended and restated to comply with the provisions required for listed company.

12.2 The amendments pursuant to this Clause 12 shall become operative upon the effectiveness of the Scheme by virtue of the fact that the shareholders of the Resulting Company, while approving the

