

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SCHEME PETITION NO 244 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 105 OF 2013

**INDUS-LEAGUE CLOTHING LIMITED**

..... Petitioner / Demerged Company No. 1

AND

COMPANY SCHEME PETITION NO 215 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 106 OF 2013

**LEE COOPER (INDIA) LIMITED**

..... Petitioner / Transferor Company No. 1

AND

COMPANY SCHEME PETITION NO 245 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 107 OF 2013

**FUTURE VENTURES INDIA LIMITED**

..... Petitioner / Resulting Company 1 /

Transferee Company/ Demerged Company 3

AND

COMPANY SCHEME PETITION NO 246 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 108 OF 2013

**PANTALOON RETAIL (INDIA) LIMITED**

(now known as "Future Retail Limited")

..... Petitioner / Demerged Company 2

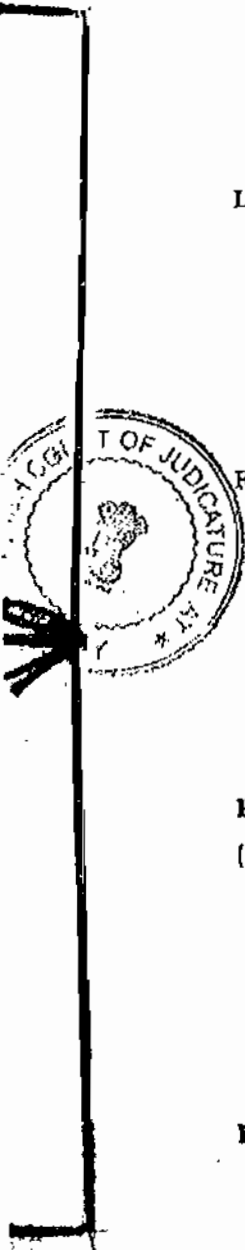
AND

COMPANY SCHEME PETITION NO 247 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 109 OF 2013

**FUTURE LIFESTYLE FASHIONS LIMITED**



# HIGH COURT, BOMBAY

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..... Petitioner / Resulting Company 2

ALONGWITH

COMPANY APPLICATION NO 134 OF 2013

IN

COMPANY SCHEME PETITION NO. 244 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 105 OF 2013

**INDUS-LEAGUE CLOTHING LIMITED**

..... Applicant Company

AND

COMPANY APPLICATION NO 135 OF 2013

IN

COMPANY SCHEME PETITION NO. 215 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 106 OF 2013

**LEE COOPER (INDIA) LIMITED**

..... Applicant Company

AND

COMPANY APPLICATION NO 136 OF 2013

IN

COMPANY SCHEME PETITION NO. 245 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 107 OF 2013

**FUTURE VENTURES INDIA LIMITED**

..... Applicant Company

AND

COMPANY APPLICATION NO 137 OF 2013

IN

COMPANY SCHEME PETITION NO. 246 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 108 OF 2013

**PANTALON RETAIL (INDIA) LIMITED**



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"Disclaimer Clause : Authenticated copy is not a 'Certified Copy'"

(now known as "Future Retail Limited")

..... Applicant Company

AND

COMPANY APPLICATION NO 138 OF 2013

IN

COMPANY SCHEME PETITION NO. 247 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 109 OF 2013

**FUTURE LIFESTYLE FASHIONS LIMITED**

..... Applicant Company

In the matter of the Companies Act, 1956  
(1 of 1956);

AND

In the matter of Sections 391 to 394 read  
with Section 78 and Sections 100 to 103  
of the Companies Act, 1956;

AND

In the matter of Composite Scheme of  
Arrangement and Amalgamation

Between

Indus-League Clothing Limited ("ILCL" or  
"the Demerged Company No. 1")

and

Lee Cooper (India) Limited ("Lee" or "the  
Transferor Company No. 1")

and

Future Ventures India Limited ("FVIL" or  
"the Resulting Company 1/ Transferee  
Company/ Demerged Company 3")

and

Pantaloon Retail (India) Limited ("PRIL" or  
"the Demerged Company 2") (now known  
as "Future Retail Limited")

and

Future Lifestyle Fashions Limited ("FLFL"  
or "the Resulting Company 2")

and

their respective shareholders and  
creditors.



**Called for Hearing**

Mr. Rajesh Shah with Mr. Chandrakant Mhadeshwar i/b Rajesh Shah & Co., Advocates for the Petitioners in all the Petitions.

Mrs. R.N Sutar Asst. Official Liquidator present in the Company Scheme Petition No 215 of 2013.

Mr. M.S. Bharadwaj i/b Mr. H.P. Chaturvedi for Regional Director in both the Company Scheme Petitions.

CORAM: Ranjit More, J.

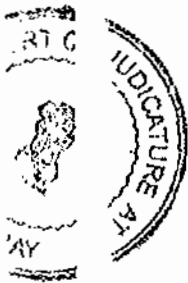
DATE: 10<sup>th</sup> May, 2013

1. Heard counsel for the parties. No objector has come before the court to oppose the Scheme and nor any party has contravened any averments made in the Petition.
2. The sanction of the Court is sought under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956, to the Composite Scheme of Arrangement and Amalgamation between Indus-League Clothing Limited and Lee Cooper (India) Limited and Future Ventures India Limited and Pantaloon Retail (India) Limited (now known as "Future Retail Limited") and Future Lifestyle Fashions Limited and their respective shareholders and creditors.
3. The Counsel for the Petitioners submits that all the Petitioner Companies have taken out their respective Applications being Company Application Nos. 134 of 2013, 135 of 2013, 136 of 2013, 137 of 2013 and 138 of 2013 seeking amendments in the Scheme and their respective Company Scheme Petitions with respect to the name of "PANTALOOON RETAIL (INDIA) LIMITED" to be changed and amended to "FUTURE RETAIL LIMITED" and the abbreviation "PRIL" to be changed and amended to "FRL" and consequential changes. All the Company Applications which are taken up along with the respective Company Scheme Petitions, are made absolute



in terms of prayer clause (a) of the respective Company Applications. Amendment to be carried out within four weeks from the date of the Order.

4. Learned Counsel for the Petitioners states that the Petitioner in Company Scheme Petition No. 244 of 2013 is engaged in the business of designing, manufacturing, retailing ready-made garments and accessories, Petitioner in Company Scheme Petition No. 215 of 2013 is engaged in the business of manufacturing and retailing of lifestyle products, including denims, trousers, jackets, shirts and shoes under the "Lee Cooper" brand, Petitioner in Company Scheme Petition No. 245 of 2013 is engaged in the business of creating, building, investing or acquiring, and operating innovative & emerging businesses in consumption-led sectors, Petitioner in Company Scheme Petition No. 246 of 2013 is engaged in the business of organised retail through its various business formats, and Petition No. 247 of 2013 is engaged in the business of fashion. The rationale for the Scheme is consolidation of business of the Demerged Company No. 1 and the Transferor Company No. 1 into the Resulting Company 1 to reduce the administrative cost and achieve operational and management efficiency. Further, the transfer and vesting of the fashion business of the Demerged Company 2 and the Resulting Company 1 in the Resulting Company 2 pursuant to this Scheme is with a view to adopting the best management practices, establishing highest operational standards and also to unlock the economic value of the fashion business. The Petitioner Companies approved the said Scheme by passing the Board Resolution which is annexed to the respective Company Scheme Petitions.
5. The learned counsel for the Petitioner in Company Scheme Petition No. 244 of 2013, states that the Scheme includes reduction of the Share Capital by utilizing Securities Premium Account, which shall be effected as an integral part of the Scheme and that the same



does not involve either diminution of liability in respect of unpaid share capital and that it also does not involve compromise or arrangement with any creditors of the Petitioner Company and the procedure prescribed under section 101 (2) of the Companies Act, 1956 has been dispensed with as per order dated 1<sup>st</sup> February, 2013 passed in CSD No. 105 of 2013. However as per undertaking given by the Petitioner Company, Special Resolution dated 4<sup>th</sup> March, 2013 is annexed being Exhibit 'D' to the Petition and averment made in paragraph 13 of the Petition.

6. The learned counsel for the Petitioner in Company Scheme Petition No. 245 of 2013, states that the Scheme includes reduction of the Share Capital which shall be effected as an integral part of the Scheme and that the same does not involve either diminution of liability in respect of unpaid share capital and that it also does not involve compromise or arrangement with any creditors of the Petitioner Company and the procedure prescribed under section 101 (2) of the Companies Act, 1956 has been dispensed with as per order dated 1st February, 2013 passed in CSD No. 107 of 2013. However as per undertaking given by the Petitioner Company, Special Resolution dated 4th March, 2013 is annexed being Exhibit 'J' to the Petition and averment made in paragraph 14 of the Petition.
7. The learned Advocate for the Petitioners further states that, Petitioner companies have complied with all the directions passed in Company Summons for Direction and that the Company Scheme Petition have been filed in consonance with the orders passed in respective Summons for Direction.
8. The learned counsel appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court.



Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made there under. The said undertaking is accepted.

9. The Regional Director has filed an Affidavit dated 9<sup>th</sup> May, 2013 stating that the scheme is not prejudicial to the interest of shareholders and public.
10. The Official Liquidator has filed his report dated 2<sup>nd</sup> May, 2013 in the Company Scheme Petition No 215 of 2013 stating therein that the affairs of the Petitioner Company have been conducted in a proper manner and that the Petitioner Company may be ordered to be dissolved by this Court.
11. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. None of the parties concerned has come forward to oppose the Scheme.
12. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition Nos. 244 of 2013, 215 of 2013 and 245 of 2013 are made absolute in terms of prayer clauses (a) to (d); and the Company Scheme Petition Nos. 246 of 2013 and 247 of 2013 is made absolute in terms of prayer clauses (a) to (c).
13. The Petitioner Companies to lodge a copy of this order and the Scheme, duly authenticated by the Company Registrar, High Court (O.S.), Bombay with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.
14. Petitioner Companies is directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form 21 in addition to physical copy as per relevant provisions of the act.



15. The Petitioner Companies in all the Company Scheme Petitions to pay costs of Rs.10,000/- to the Regional Director, Western Region, Mumbai and Petitioner Company in Company Scheme Petition No 215 of 2013 to pay cost of Rs. 10,000/ to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.
16. Filing and issuance of the drawn up order is dispensed with.
17. All concerned authorities to act on a copy of this order along with Scheme and Form of Minutes duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(Ranjit More, J)

JRT

**TRUE COPY**

*2013*  
Section Officer  
High Court, Appellate Side  
Baroda

*24/5/2013*

**TRUE-COPY**

*23/05/2013*  
**Mrs. K. M. RANE**  
COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY



COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION  
BETWEEN

INDUS-LEAGUE CLOTHING LIMITED

AND

LEE COOPER (INDIA) LIMITED

AND

FUTURE VENTURES INDIA LIMITED

AND

FUTURE RETAIL LIMITED

AND

FUTURE LIFESTYLE FASHIONS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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PREAMBLE

A. Description of the Companies

- (a) Future Ventures India Limited ("FVIL") is a public listed company, engaged in the business of creating, building, investing or acquiring, and operating innovative & emerging businesses in consumption-led sectors investee companies. It is listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited
- (b) Future Retail Limited (FRL) is a fast growing Indian listed company and is India's leading retailer. It is listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- (c) Future Lifestyle Fashions Limited ("FLFL") is a wholly owned subsidiary of FRL and proposes to engage in fashion business.

(d) Indus-League Clothing Limited ("ILCL"), is a subsidiary of FVIL and Lee Cooper (India) Limited ("LEE"), is a wholly owned subsidiary of ILCL. Both are engaged in fashion business.

**B. Rationale and Purpose of the Scheme**

All the Companies are part of the Future Group ("the Group"). It is proposed to:

- Demerger of fashion business of ILCL and merger of LEE into FVIL; and
- Demerger of the fashion business of FRL and FVIL into FLFL.

The consolidation of the businesses of ILCL and LEE with FVIL would inter alia have the following benefits:

- i) Removing multiple layer inefficiencies;
- ii) Reducing administrative cost; and
- iii) Achieving operational and management efficiency.

Further, the transfer and vesting of the fashion business of FRL and FVIL pursuant to this Scheme is with a view to adopting the best management practices, establishing highest operational standards and also to unlock the economic value of the fashion business.

The management of the Group believes that the fashion business has tremendous growth and profitability potential and is at a stage where it requires focused leadership and dedicated management attention.

The re-organization exercise would inter alia achieve the following synergies.

- o Unlocking of value
- o Transparent business structure;
- o Attribution of appropriate risk and valuation to the fashion business based on its risk-return profile and cash flows;
- o More focused leadership and dedicated management;
- o Greater visibility on the performance of fashion business; and

- o Facilitate investments by strategic players.

In view of the aforesaid, the Board of Directors of all the Companies have considered and proposed the Composite Scheme of Arrangement and Amalgamation under the provisions of Section 391 to Section 394 read with Section 78 and Sections 100 to 103 of the Companies Act, 1956.

#### C. Sections of the Scheme

The Scheme comprises of the following arrangements:

- (a) Demerger of ILCL Demerged Undertaking into FVIL,
- (b) Amalgamation of LEE with FVIL,
- (c) Demerger of the FRL Demerged Undertaking into FLFL;
- (d) Demerger of the FVIL Demerged Undertaking into FLFL; and
- (e) This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

#### D. Parts of the Scheme

The Scheme is divided into the following parts:

1. PART A which deals with definition, date of taking effect & share capital
2. PART B which deals with demerger of ILCL Demerged Undertaking into FVIL;
3. PART C which deals with amalgamation of LEE with FVIL
4. PART D which deals with demerger of FRL Demerged Undertaking into FLFL
5. PART E which deals with demerger of FVIL Demerged Undertaking into FLFL
6. PART F which deals with reduction in share capital of FVIL
7. PART G which deals with General terms and conditions

#### PART A - DEFINITION, DATE OF TAKING EFFECT & SHARE CAPITAL

##### 1. DEFINITIONS

In this scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them.

- 1.1 "Act" means the Companies Act, 1956, and shall include any statutory modification, re-enactment or amendments thereof for the time being in force.
- 1.2 "Appointed Date" means.
  - 1.2.1 For the Purposes of Part B and Part C of this Scheme, the 1st day of December, 2012 or such other date as may be approved by the High Court of Judicature at Bombay or any other appropriate authority.
  - 1.2.2 For the Purposes of Part D, Part E and Part F of this Scheme, the 1st day of January, 2013 or such other date as may be approved by the High Court of Judicature at Bombay or any other appropriate authority.
- 1.3 "Capital Reserve" means a reserve, not being a free reserve and not available for declaring dividend; however available for the purpose of adjusting value of any asset including Goodwill, investment / offset any charge on account of impairment / write off/ amortisation, which may be deemed fit and for issue of bonus shares.
- 1.4 "Charter Documents" means Memorandum of Association and Articles of Association.
- 1.5 "Court" or "High Court" means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if and when applicable.
- 1.6 "FLFL" means Future Lifestyle Fashions Limited a company incorporated under the Act and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060.
- 1.7 "FVIL" means Future Ventures India Limited a company incorporated under the Act and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060.
- 1.8 "the ILCL Demerged Undertaking" shall mean the entire business and undertaking of ILCL relating to its fashion business and related activities as a going concern and shall include (without limitation) the following:
  - (a) All the assets and properties of ILCL as on the Appointed Date (hereinafter referred to as "the said assets") pertaining to the ILCL Demerged Undertaking;

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- (b) All the debts, liabilities, duties and obligations including contingent liabilities of ILCL pertaining to the ILCL Demerged Undertaking;
- (c) Without prejudice to the generality of above, the ILCL Demerged Undertaking shall include the movable and immovable properties including land and building, plant and machinery, equipment, furniture, fixtures, vehicles, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, bank balance, investments including investments in LEE but other than those forming part of Remaining Undertaking, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorisations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax etc, unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the ILCL Demerged Undertaking
- (d) all permanent employees engaged in or in relation to the ILCL Demerged Undertaking as on the Effective Date;

- (e) all records, files, papers, engineering and process information, computer programs, computer softwares, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the ILCL Demerged Undertaking.

Explanation A: Whether any particular asset or employee should be included as asset or employee of the ILCL Demerged Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of ILCL and FVIL;

Explanation B: For the purpose of this Scheme, it is clarified that liabilities pertaining to the ILCL Demerged Undertaking of ILCL shall comprise the liabilities, borrowings, debts and loans as agreed between ILCL and FVIL which will cover

- (a) The liabilities, which arise out of the activities or operations of ILCL Demerged Undertaking
- (b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the ILCL Demerged Undertaking.
- (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the Remaining Undertaking of ILCL, being the amounts of general or multipurpose borrowings of ILCL shall be allocated to the ILCL Demerged Undertaking of ILCL in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of ILCL immediately before giving effect to this Scheme. The parties shall mutually agree upon the identification of the liabilities to be transferred to FVIL as liabilities pertaining to the ILCL Demerged Undertaking.

Any question that may arise as to whether a specified liability pertains or does not pertain to the ILCL Demerged Undertaking of ILCL or whether it arises out of the activities or operations of ILCL Demerged Undertaking of ILCL shall be decided by mutual agreement between the Board of Directors or any Committee thereof of ILCL and FVIL.

- 1.9 "the FRL Demerged Undertaking" shall mean the entire business and undertaking of FRL relating to its fashion business carried on under format brands of Central, Brand Factory, Planet Sports and aLL and related activities as a going concern and shall include (without limitation) the following:

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- (f) All the assets and properties of FRL as on the Appointed Date (hereinafter referred to as "the said assets") pertaining to the FRL Demerged Undertaking;
- (g) All the debts, liabilities, duties and obligations including contingent liabilities of FRL pertaining to the FRL Demerged Undertaking;
- (h) Without prejudice to the generality of above, the FRL Demerged Undertaking shall include the movable and immovable properties including land and building, plant and machinery, equipment, furniture, fixtures, vehicles, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, bank balance, investments including investments as on the Effective Date, but other than other forming part of the Remaining Undertaking of FRL, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorisations, trademarks, trade names, labels, brands including Central, Brand Factory, Planet Sports and aLL, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax etc, unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) and wherasoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the FRL Demerged Undertaking.

- (i) all permanent employees engaged in or in relation to the FRL Demerged Undertaking as on the Effective Date,
- (j) all records, files, papers, engineering and process information, computer programs, computer softwares, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the FRL Demerged Undertaking.

Explanation A: Whether any particular asset or employee should be included as asset or employee of the FRL Demerged Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of FRL and FLFL,

Explanation B: For the purpose of this Scheme, it is clarified that liabilities pertaining to the FRL Demerged Undertaking of FRL shall comprise the liabilities, borrowings, debts and loans as agreed between FRL and FLFL which will cover

- (d) The liabilities, which arise out of the activities or operations of FRL Demerged Undertaking of FRL.
- (e) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the FRL Demerged Undertaking of FRL.
- (f) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the Remaining Undertaking of FRL, being the amounts of any general or multipurpose borrowings of FRL shall be allocated to the FRL Demerged Undertaking of FRL in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of FRL immediately before giving effect to this Scheme. The parties shall mutually agree upon the identification of the liabilities to be transferred to FLFL as liabilities pertaining to the FRL Demerged Undertaking.

Any question that may arise as to whether a specified liability pertains or does not pertain to the FRL Demerged Undertaking of FRL or whether it arises out of the activities or operations of FRL Demerged Undertaking of FRL shall be decided by mutual agreement between the Board of Directors or any Committee thereof of FRL and FLFL.

1.10 "Effective Date" means the last of the date on which the conditions specified in Clause 52 of this Scheme are fulfilled with respect to a particular Part of the Scheme



1 11 "the FVIL Demerged Undertaking" shall mean the entire business and undertaking of  
2 FVIL relating to its fashion business and related activities as a going concern and shall  
3 include (without limitation) the following

- 4
- 5 (a) All the assets and properties of FVIL as on the Appointed Date (hereinafter referred  
6 to as "the said assets") pertaining to the FVIL Demerged Undertaking;
- 7 (b) All the debts, liabilities, duties and obligations including contingent liabilities of FVIL  
8 pertaining to the FVIL Demerged Undertaking;
- 9 (c) Without prejudice to the generality of above, the FVIL Demerged Undertaking shall  
10 include the movable and immovable properties including land and building, plant and  
11 machinery equipment, furniture, fixtures, vehicles, leasehold assets and other  
12 properties, real, corporeal and incorporeal, in possession or reversion, present and  
13 contingent assets (whether tangible or intangible) of whatsoever nature, assets  
14 including cash in hand, bank balance, investments including investments as on the  
15 effective date, including investments in Indus-League Clothing Limited, BIBA  
16 Apparels Private Limited, AND, Designs India Limited, HOLII Accessories Private  
17 Limited, Indus Tree Crafts Private Limited and Clarks Future Footwear Limited, but  
18 other than those forming part of the Remaining Undertaking of FVIL, claims, powers,  
19 authorities, allotments, approvals, consents, letters of intent, registrations, licenses,  
20 contracts, agreements, engagements, arrangements, rights, credits, titles, interests,  
21 benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the  
22 consent of the landlord as may be required, goodwill, other intangibles, permits,  
23 authorisations, trademarks, trade names, brands, patents, patent rights, copyrights,  
24 designs, and other industrial and intellectual properties and rights of any nature  
25 whatsoever including labels, designs, know-how, domain names, or any applications  
26 for the above, assignments and grants in respect thereof, import quotas and other  
27 quota rights, right to use and avail of telephones, telex, facsimile and other  
28 communication facilities, connections, installations and equipment, utilities, electricity  
29 and electronic and all other services of every kind, nature and description  
30 whatsoever, provisions, funds, and benefits of all agreements, arrangements,  
31 deposits, advances, recoverables and receivables, whether from government, semi-  
32 government, local authorities or any other person including customers, contractors or  
33 other counter parties, etc., all earnest monies and/or deposits, privileges, liberties,  
34 easements, advantages, benefits, exemptions permissions, and approvals of  
35 whatsoever nature (including but not limited to benefits of tax relief including under

the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax etc, unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc ) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the FVIL Demerged Undertaking and also including the entire business and undertaking of ILCL Demerged Undertaking and LEE along with all assets & liabilities, vested with FVIL pursuant to Part B and Part C of this Scheme

- (d) all permanent employees engaged in or in relation to the FVIL Demerged Undertaking as on the Effective Date,
- (e) all records, files, papers, engineering and process information, computer programs, computer softwares, manuals, data catalogues, quotations sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical or electronic form in connection with or relating to the FVIL Demerged Undertaking.

Explanation A: Whether any particular asset or employee should be included as asset or employee of the FVIL Demerged Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of FVIL and FLFL.

Explanation B. For the purpose of this Scheme, it is clarified that liabilities pertaining to the FVIL Demerged Undertaking of FVIL include:

- (a) The liabilities, which arise out of the activities or operations of FVIL Demerged Undertaking of FVIL.
- (b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the FVIL Demerged Undertaking of FVIL.
- (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the Remaining Undertaking of FVIL, being the amounts of general or multipurpose borrowings of FVIL shall be allocated to the FVIL Demerged Undertaking of FVIL in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of FVIL immediately before giving effect to this Scheme. The parties shall

mutually agree upon the identification of the liabilities to be transferred to FLFL as liabilities pertaining to the FVIL Demerged Undertaking.

Any question that may arise as to whether a specified liability pertains or does not pertain to the FVIL Demerged Undertaking of FVIL or whether it arises out of the activities or operations of FVIL Demerged Undertaking of FVIL shall be decided by mutual agreement between the Board of Directors or any Committee thereof of FVIL and FLFL.

1.12 "ILCL" means Indus-League Clothing Limited, a Company incorporated under the Act and having its Registered Office at Knowledge House, Shyam Nagar, Opp. Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060, Maharashtra.

1.13 "LEE" or "Amalgamating Company" means Lee Cooper (India) Limited, a Company incorporated under the Act and having its Registered Office at Knowledge House, Shyam Nagar, Opp. Jogeshwari-Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060, Maharashtra.

1.14 "FRL" means Future Retail Limited, a company incorporated under the Act and having its registered office at Knowledge House, Off. Shyam Nagar, Jogeshwari Vikhroli Link Road, Jogeshwari (East), Mumbai 400060.

1.15 "FRL DVRs" shall mean equity shares of FRL classified as Class B shares (Series 1) of par value of Rs 2/- each with every four FRL DVRs having voting rights equal to three FRL Equity Shares, and every FRL DVR having the right to receive 2% additional dividend than every FRL Equity Share,

1.16 "FRL DVR Shareholders" shall mean the shareholders of FRL holding FRL DVRs;

1.17 "FRL Equity Shares" shall mean equity shares of FRL having a par value of Rs. 2/- each and having one vote each;

1.18 "FRL Equity Shareholders" shall mean the shareholders of FRL holding FRL Equity Shares;

1.19 "Record Date" means;

1.19.1 For the Purposes of Part B of the Scheme, the Effective Date;

1.19.2 For the Purposes of Part D of the Scheme, such date to be mutually fixed by the Board of Directors of FLFL and FRL or any committee / person duly authorized by the respective Board of Directors, after the Effective Date, to determine the members of FRL to whom equity shares of FLFL will be allotted pursuant to Part D of this Scheme;

- 1.19.3 For the Purposes of Part E of the Scheme, such date to be mutually fixed by the Board of Directors of FLFL and FVIL or any committee / person duly authorized by the respective Board of Directors, after the Effective Date, to determine the members of FVIL to whom equity shares of FLFL will be allotted pursuant to Part E of this Scheme.
- 1.19.4 For the Purposes of Part F of the Scheme, such date to be fixed by the Board of Directors of FVIL or any committee / person duly authorized by the Board of Directors, after the Effective Date, to determine the members of FVIL whose shares shall be cancelled pursuant to Part F this Scheme. It is clarified that the Record Date for the purposes of Part F shall be on or after the record date for Part E.
- 1.20 "Remaining Undertaking of ILCL" means all business and undertaking of ILCL other than the ILCL Demerged Undertaking but including investments in Celio Future Fashion Limited, Turtle Limited, Etam Future Fashions Private Limited and SSIPL Retail Limited
- 1.21 "Remaining Undertaking of FVIL" means all business and undertaking of FVIL other than the FVIL Demerged Undertaking.
- 1.22 "Remaining Undertaking of FRL" means all business and undertaking of FRL other than the FRL Demerged Undertaking.
- 1.23 "Scheme" or "the Scheme" or "this Scheme" means this Composite Scheme of Arrangement and Amalgamation in its present form or with any modification(s) as approved or directed by the High Court of Judicature at Bombay.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulations Act, 1956, the SEBI Act, 1992, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay, shall be effective from the Appointed Date but shall be operative from the Effective Date.

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3. SHARE CAPITAL

3.1 The share capital of LEE as at September 30, 2012 was as under:

Share Capital	Amount in Rs.
<u>Authorized Share Capital</u>	
1,800,000 Equity shares of Rs. 10 each	18,000,000
16,200,000 Non Cumulative Preference Shares of Rs. 10 each redeemable within 20 years	162,000,000
<b>TOTAL</b>	<b>180,000,000</b>
<u>Issued, subscribed and paid-up Share Capital</u>	
1,800,000 Equity shares of Rs. 10 each	18,000,000
8,200,000 Non Cumulative Preference Shares of Rs. 10 each redeemable within 20 years	82,000,000
<b>TOTAL</b>	<b>100,000,000</b>

There has been no change in the capital structure of Lee subsequent to above. The entire equity capital of Lee is held by ILCL.

3.2 The share capital of ILCL as at September 30, 2012 was as under:

Share Capital	Rupees
<u>Authorized Share Capital</u>	
60,000,000 Equity Shares of Rs.10 each	600,000,000
<b>TOTAL</b>	<b>600,000,000</b>
<u>Issued, subscribed and paid-up Share Capital</u>	
30,328,227 Equity shares of Rs. 10 each fully paid up	303,282,270
<b>TOTAL</b>	<b>303,282,270</b>

There has been no change in the capital structure of ILCL subsequent to above.

3.3 The share capital of FRI. as at September 30, 2012 is as under.

Particulars	Amount (Rs.)
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<u>Authorised</u>	
50,00,00,000 equity shares of Rs 2 each (divided into 45,00,00,000 FRL Equity Shares and 5,00,00,000 FRL DVRs)	100,00,00,000
30,00,000 0.01% Compulsory Convertible Preference Shares of Rs.100/- each	30,00,00,000
<u>Issued Subscribed and Paid Up</u>	
ISSUED	463,187,982
23,15,93,991 equity shares of Rs 2 each (divided into 21,56,64,839 FRL Equity Shares and 1,59,29,152 FRL DVRs)	
SUBSCRIBED & PAID UP CAPITAL	
23,15,82,591 equity shares of Rs 2 each (divided into 21,56,53,439 FRL Equity Shares and 1,59,29,152 FRL DVRs)	463,165,182

There has been no change in the capital structure of FRL subsequent to above

3.4 The share capital of FLFL as at September 30, 2012 is as under.

<u>Particulars</u>	<u>Amount (Rs.)</u>
<u>Authorised</u>	5,00,000
(50,000 Equity Shares of Rs.10/- each)	
<u>Issued Subscribed and Paid Up</u>	5,00,000
(50,000 Equity Shares of Rs.10/- each)	

Subsequent to above date, FLFL has increased its Authorised Share Capital to Rs.50,00,00,000 (Rupees Fifty Crore only) divided into 5,00,00,000 equity shares of of

Rs 10/- each Further, FLFL has sub-divided its share capital from Rs.50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) equity shares of Rs.10/- each to Rs 50,00,00,000/- (Rupees Fifty Crore only) divided into 25,00,00,000 (Twenty Five Crore only) equity shares of Rs.2/- each

Subsequent to the above date, FLFL has issued and allotted 2,54,81,399 equity shares of Rs.2/- each to FRL aggregating to Rs 5,09,62,798/- taking total paid up capital of the company to Rs.5,14,62,798/-

The entire equity capital of FLFL is held by FRL

3.5 The share capital of FVIL as at September 30, 2012 is as under:

Particulars	Amount (Rs.)
<u>Authorised</u>	
5,00,00,00,000 equity shares of Rs.10 each	50,00,00,00,000
<u>Issued Subscribed and Paid Up</u>	
1,57,62,43,700 equity shares of Rs.10 each fully paid up	15,76,24,37,000

There has been no change in the capital structure of FVIL subsequent to above.

#### PART B - DEMERGER OF THE ILCL DEMERGED UNDERTAKING WITH FVIL

#### 4. TRANSFER AND VESTING OF THE ILCL DEMERGED UNDERTAKING OF ILCL

With effect from the Appointed Date, the ILCL Demerged Undertaking of ILCL shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961, stand transferred to and vested in or deemed to be transferred to and vested in FVIL, as a going concern and in the following manner:

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the undertaking and properties of the ILCL Demerged Undertaking, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and /

or be deemed to be transferred to and vested in FVIL so as to vest in FVIL all rights, title and interest pertaining to the ILCL Demerged Undertaking.

- (i) All the movable assets pertaining to the ILCL Demerged Undertaking, which are capable of being physically transferred including cash on hand, shall be physically handed over by delivery to FVIL to the end and intent that the property therein passes to FVIL. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of ILCL and FVIL:
- (ii) In respect of other assets pertaining to ILCL Demerged Undertaking including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, ILCL shall, on being so requested by FVIL, issue notices in such form as FVIL may specify stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, FVIL as the person entitled thereto, to the end and intent that the right of ILCL to receive or recover or realize the same, stands transferred to FVIL and that appropriate entries should be passed in their respective books to record the aforesaid changes,
- (iii) any and all immovable properties (including land together with the buildings and structures standing thereon) of ILCL relating to the ILCL Demerged Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in FVIL, without any act or deed done by ILCL or FVIL. With effect from the Appointed Date, FVIL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of FVIL shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of FVIL



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(iv) In respect of such of the assets belonging to the ILCL Demerged Undertaking other than those referred to in clause (i) to (iii), the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in FVIL on the Appointed Date pursuant to the provisions of Section 394 of the Act.

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4.2 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of ILCL pertaining to the ILCL Demerged Undertaking under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to FVIL, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of FVIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause

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4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by ILCL required to carry on operations of the ILCL Demerged Undertaking shall stand vested in or transferred to FVIL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of FVIL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to FVIL as if they were originally obtained by FVIL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by ILCL relating to the ILCL Demerged Undertaking, are concerned, the same shall vest with and be available to FVIL on the same terms and conditions as applicable to ILCL, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to FVIL.

4.4 The transfer and vesting of the ILCL Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the ILCL Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the ILCL Demerged Undertaking.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the ILCL Demerged Undertaking are securities for liabilities of the ILCL Remaining Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets retained by ILCL and shall cease to operate against any of the assets transferred to FVIL in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the ILCL Remaining Undertaking are securities for liabilities of the ILCL Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets transferred to FVIL and shall cease to operate against any of the assets retained in ILCL in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

*Provided further* that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of FVIL shall continue with respect to such assets or any part thereof of FVIL and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the ILCL Demerged Undertaking vested in FVIL, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by ILCL in relation to the ILCL Demerged Undertaking which shall vest in FVIL by virtue of the vesting of the ILCL Demerged Undertaking with FVIL and FVIL shall not be obliged to create any further or additional security therefore after the Scheme has become effective.

Provided further that all the loans, advances and other facilities sanctioned to ILCL in relation to the ILCL Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to FVIL and the said loans and advances may be drawn and utilized either partly or fully by ILCL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by ILCL in relation to the ILCL Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to FVIL and all the obligations of ILCL in relation to the ILCL Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of FVIL without any further act or deed on the part of FVIL.

- 4.5 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the ILCL Demerged Undertaking which ILCL owns or to which ILCL is a party and which cannot be transferred to FVIL or to its successor in business, for any reason whatsoever, ILCL shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FVIL to which the ILCL Demerged Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is effected

#### 5. CONSIDERATION

- 5.1 Upon this Scheme coming into effect, in consideration of the transfer of the ILCL Demerged Undertaking by ILCL to FVIL in terms of this Scheme, FVIL shall, without any further act or deed, issue and allot to equity Shareholders whose name appears in the records of ILCL, other than FVIL (whether singly or jointly), on the Record Date, 2,17,32,971 (Two Crore seventeen lacs thirty two thousand nine hundred and seventy one) equity share of Rs. 10/- each, credited as fully paid in the capital of FVIL on a proportionate basis in the ratio of shares held by them in ILCL (the "ILCL Share Entitlement Ratio").
- 5.2 The equity shares to be issued and allotted by FVIL as per Clause 5.1 hereof shall be at par, credited as fully paid up and shall have rights attached thereto as under:
- (a) they shall in all respects, rank *par passu* with the existing equity shares of FVIL; and
  - (b) they will be subject to the applicable provisions of the Charter Documents of FVIL.

- 5.3 Shares to be issued by FVIL pursuant to Clause 5.1 in respect of any equity shares of ILCL which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by FVIL.
- 5.4 In so far as the issue of shares pursuant to Clause 5.1 is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity Shares in ILCL in dematerialized form, in to the account with the Depository Participant in which the equity shares of ILCL are held or such other account with the Depository Participant as is intimated by the equity shareholders to FVIL before the Record Date. All those equity shareholders of ILCL who hold equity Shares of ILCL in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to FVIL before the Record Date. In the event that FVIL has received notice from any equity shareholder of ILCL that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her /its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of FVIL, then FVIL shall issue equity shares of FVIL, in accordance with the ILCL Share Entitlement Ratio, as the case may be, in physical form to such equity Shareholder.
- 5.5 In case any equity shareholder of ILCL has holding in ILCL, such that it becomes entitled to a fraction of an equity share of FVIL, FVIL shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:
- (a) Consolidate such fractions and issue consolidated shares to a trustee nominated by FVIL in that behalf, who shall, sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
  - (b) Round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholder;
  - (c) Deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of ILCL and FVIL.
- 5.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of ILCL, the board of directors or any committee thereof of ILCL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to

effectuate such a transfer in ILCL as if such changes in registered holder were operative as on the Record Date. in order to remove any difficulties arising to the transfer of the share in ILCL and in relation to the shares issued by FVIL after the effectiveness of this Scheme. The board of directors of ILCL and FVIL shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in FVIL on account of difficulties faced in the transaction period.

- 5.7 The shares issued by FVIL in terms of Clause 5.1 of this Scheme and the shares held by shareholders of FVIL prior to such issuance will be listed and / or admitted to trading on the Stock Exchanges, where the shares of FVIL are listed and / or admitted to trading and all necessary applications will be made in this respect by FVIL.
- 5.8 Approval of this Scheme by the shareholders of FVIL shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by FVIL to the equity shareholders of ILCL, as provided in this Scheme

#### 6. TREATMENT IN THE BOOKS OF FVIL

- 6.1 Upon the Scheme becoming effective and from the Appointed Date, FVIL shall record the assets and liabilities pertaining to the ILCL Demerged Undertaking at their respective book values.
- 6.2 The aggregate face value of shares issued by FVIL pursuant to this Part shall be recorded as Share Capital
- 6.3 The difference between the value of assets and liabilities arising pursuant to Clause 6.1, after adjustment pursuant to Clause 6.2 and reduction in value of investments in ILCL as on the Appointed Date, shall be debited to Goodwill or credited to Capital Reserve as the case may be. Further, it is clarified that any further investment made in ILCL after the Appointed Date but prior to the Effective Date, to the extent of difference between such further investment and the incremental net asset value, shall be debited to Goodwill.

#### 7. ACCOUNTING TREATMENT IN THE BOOKS OF ILCL

- 7.1 Upon the Scheme becoming effective and from the Appointed Date, ILCL shall reduce from its books, the book value of assets and liabilities transferred as part of the ILCL Demerged Undertaking to FVIL, pursuant to the Scheme.
- 7.2 The face value per share of ILCL shall be reduced to Re.1 per share & the credit arising on the same shall be credited to Capital Reserve

- 7.3 The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be debited to the Securities Premium Account / Capital Reserve/ P & L account or credited to Capital Reserve, as the case may be.
- 7.4 The application and reduction, if any, of the Securities Premium Account and Share Capital of ILCL as above, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Sections 78 read with Sections 100 to 103 of the Act. However as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Therefore no order under section 102 of the Act confirming the reduction shall be required.

#### 8. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 8.1 ILCL in respect of the ILCL Demerged Undertaking, shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for FVIL. ILCL hereby undertakes to hold the said assets with utmost prudence until the Effective Date;
- 8.2 With effect from the Appointed Date, All the profits or income accruing or arising to ILCL in respect of the ILCL Demerged Undertaking or expenditure or losses arising to or incurred by ILCL in respect of the ILCL Demerged Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of FVIL;
- 8.3 ILCL in respect of the ILCL Demerged Undertaking shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of FVIL, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the ILCL Demerged Undertaking or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the ILCL Demerged Undertaking or a substantial expansion of the ILCL Demerged Undertaking;
- 8.4 ILCL shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of FVIL.
- 8.5 Further, investments made by ILCL from the Appointed Date till the Effective Date shall also be deemed to be investment made on behalf of FVIL.

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## 9. DECLARATION OF DIVIDEND

- 9.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent FVIL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.
- 9.2 ILCL shall not utilize the profits or income, if any, relating to the ILCL Demerged Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of FVIL.

## 10. LEGAL PROCEEDINGS

- 10.1 All legal proceedings of whatsoever nature by or against ILCL pending and/or arising before the Effective Date and relating to the ILCL Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against FVIL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against ILCL.
- 10.2 After the Effective Date, if any proceedings are taken against ILCL in respect of the matters referred to in the sub-clause 10.1 above, it shall defend the same at the cost of FVIL, and FVIL shall reimburse and indemnify ILCL against all liabilities and obligations incurred by ILCL in respect thereof.
- 10.3 FVIL undertakes to have all respective legal or other proceedings initiated by or against ILCL referred to in Clauses 10.1 or 10.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against FVIL as the case may be, to the exclusion of ILCL.

## 11. CONTRACTS, DEEDS, ETC.

- 11.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the ILCL Demerged Undertaking, shall continue in full force and effect against or in favour of FVIL and may be enforced effectively

by or against FVIL as fully and effectually as if, instead of ILCL, FVIL had been a party thereto.

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

## 12. SAVING OF CONCLUDED TRANSACTIONS

12.1 The transfer of assets, properties and liabilities above and the continuance of proceedings by or against FVIL above shall not affect any transaction or proceedings already concluded in ILCL, in relation to the ILCL Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that FVIL accepts and adopts all acts, deeds and things done and executed by ILCL, in relation to the ILCL Demerged Undertaking in respect thereto as done and executed on their behalf.

## 13. STAFF, WORKMEN & EMPLOYEES

13.1 Upon the coming into effect of this Scheme, all employees of ILCL engaged in or in relation to the ILCL Demerged Undertaking and who are in such employment as on the Effective Date shall become the employees of FVIL from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by ILCL and without any interruption of or break in service as a result of the transfer of the ILCL Demerged Undertaking.

13.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by ILCL for the employees related to the ILCL Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees related to the ILCL Demerged Undertaking being transferred to FVIL, in terms of the Scheme shall be transferred to FVIL and shall be held for their benefit pursuant to this



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Scheme in the manner provided hereina ter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of FVIL, either be continued as separate funds of FVIL for the benefit of the employees related to the ILCL Demerged Undertaking or be transferred to and merged with other similar funds of FVIL. In the event that FVIL does not have its own funds in respect of any of the above, FVIL may, subject to necessary approvals and permissions, continue to contribute to relevant funds of ILCL, until such time that FVIL creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to the ILCL Demerged Undertaking shall be transferred to the funds created by FVIL. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of ILCL and FVIL may decide to continue to make the said contributions to the Funds of ILCL. It is clarified that the services of the employees of the ILCL Demerged Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

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13.3 Any question that may arise as to whether any employee belongs to or does not belong to the ILCL Demerged Undertaking shall be decided by the Board of Directors or Committee thereof of ILCL.

#### 14. REMAINING UNDERTAKING OF ILCL

14.1 It is clarified that, the Remaining Undertaking of ILCL shall continue with ILCL as follows:

- (a) The Remaining Undertaking of ILCL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by ILCL.
- (b) All legal and other proceedings by or against ILCL under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking of ILCL (including those relating to any property, right, power, liability, obligation or duty, of ILCL in respect of the Remaining Undertaking of ILCL) shall be continued and enforced by or against ILCL.

14.2 With effect from the Appointed Date and including the Effective Date –

- (a) ILCL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Undertaking of ILCL for and on its own behalf;

(b) all profit accruing to ILCL thereon or losses arising or incurred by it relating to the Remaining Undertaking of ILCL shall, for all purposes, be treated as the profit, or losses, as the case may be, of ILCL.

#### 15. TAX CREDITS

15.1 FVIL will be the successors of ILCL vis-à-vis the ILCL Demerged Undertaking. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the ILCL Demerged Undertaking and the obligations if any for payment of the tax on any assets forming part of the ILCL Demerged Undertaking or their erection and / or installation, etc. shall be deemed to have been availed by FVIL or as the case may be deemed to be the obligations of FVIL. Consequently, and as the Scheme does not contemplate removal of any asset by FVIL from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by ILCL.

15.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by ILCL relating to the ILCL Demerged Undertaking including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of FVIL.

ILCL and FVIL are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the ILCL Demerged Undertaking of ILCL as vested with FVIL upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

#### PART C - MERGER OF LEE WITH FVIL

#### 16. TRANSFER AND VESTING OF UNDERTAKING OF LEE

After transfer and vesting of the ILCL Demerged Undertaking into FVIL, with effect from the Appointed Date and upon coming into effect of the Scheme, the entire business and undertaking of LEE shall in accordance with Section 2(1B) of the Income-tax Act, 1961, stand

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transferred to and vested in or deemed to be transferred to and vested in FVIL, as a going concern and in the following manner:

16.1 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the undertaking and properties of LEE, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in FVIL so as to vest in FVIL all rights, title and interest pertaining to LEE.

(i) All the movable assets pertaining to LEE, which are capable of being physically transferred including cash on hand, shall be physically handed over by delivery to FVIL to the end and intent that the property therein passes to FVIL. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of LEE and FVIL;

(ii) In respect of other assets pertaining to LEE including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, FVIL, may issue notices stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, FVIL as the person entitled thereto, to the end and intent that the right of LEE to receive, recover or realize the same, stands transferred to FVIL and that appropriate entries should be passed in their respective books to record the aforesaid changes;

(iii) any and all immovable properties (including land together with the buildings and structures standing thereon) of LEE, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in FVIL, without any act or deed done by LEE or FVIL. With effect from the Appointed Date, FVIL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of FVIL shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of FVIL

(iv) In respect of such of the assets belonging to LEE other than those referred to in clause (i) to (iii), the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in FVIL on the Appointed Date pursuant to the provisions of Section 394 of the Act.

16.2 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of LEE under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to FVIL, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of FVIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

16.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by LEE shall stand vested in or transferred to FVIL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of FVIL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to FVIL as if they were originally obtained by FVIL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by LEE, are concerned, the same shall vest with and be available to FVIL on the same terms and conditions as applicable to LEE, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to FVIL.

16.4 The transfer and vesting of the entire business and undertaking of LEE as aforesaid shall be subject to the existing securities, charges, mortgages, if any, in respect of any assets of LEE.

*Provided* always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by LEE and FVIL shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

## 17. CONSIDERATION

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- 17.1 Since the entire share capital of LEE is held by ILCL and consequently, pursuant to Part B of this Scheme, the entire share capital of LEE shall be held by FVIL, no shares or consideration shall be issued / payable pursuant to this Part of the Scheme.

#### 18. ACCOUNTING TREATMENT IN THE BOOKS OF FVIL

- 18.1 Upon the Scheme becoming effective and from the Appointed Date, FVIL shall record the assets and liabilities pertaining to LEE at their respective fair values;
- 18.2 Intercompany balances shall stand cancelled;
- 18.3 The difference between the value of assets and liabilities recorded pursuant to Clause 18.1 and the value of investment in Lee as reflected in the books of ILCL as on the Appointed Date and vested in FVIL pursuant to Part B of this Scheme shall be debited to Goodwill or credited to Capital Reserve as the case may be. Further, it is clarified that any further investment made in LEE after the Appointed Date but prior to the Effective Date, to the extent of difference between such further investment and the incremental net asset value, shall be debited to Goodwill.

#### 19. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 19.1 LEE shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for FVIL. LEE hereby undertake to hold the said assets with utmost prudence until the Effective Date.
- 19.2 With effect from the Appointed Date, all the profits or income accruing or arising to LEE or expenditure or losses arising to or incurred by LEE, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of FVIL;
- 19.3 LEE shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of FVIL, alienate, charge, mortgage, encumber or otherwise deal with or dispose any asset except in respect of activities in the ordinary course of business
- 19.4 LEE shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of FVIL.

## 20. DECLARATION OF DIVIDEND

- 20.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent FVIL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.
- 20.2 LEE shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of FVIL.

## 21. LEGAL PROCEEDINGS

- 21.1 All legal proceedings of whatsoever nature by or against LEE pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against FVIL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against LEE.
- 21.2 FVIL shall have all legal or other proceedings initiated by or against LEE transferred into FVIL name and to have the same continued, prosecuted and enforced by or against FVIL.

## 22. CONTRACTS, DEEDS, ETC.

- 22.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date, shall continue in full force and effect against or in favour of FVIL and may be enforced effectively by or against FVIL as fully and effectually as if, instead of LEE, FVIL had been a party thereto.
- 22.2 FVIL, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which LEE are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. FVIL shall, be deemed to be authorised to execute any such writings on behalf of LEE and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of LEE.

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23. SAVING OF CONCLUDED TRANSACTIONS

23.1 The transfer of assets, properties and liabilities above and the continuance of proceedings by or against FVIL above shall not affect any transaction or proceedings already concluded in LEE, on or after the Appointed Date till the Effective Date, to the end and intent that FVIL accepts and adopts all acts, deeds and things done and executed by LEE, in respect thereto as done and executed on its behalf.

24. STAFF, WORKMEN & EMPLOYEES

24.1 Upon the coming into effect of this Scheme, all employees of LEE and who are in such employment as on the Effective Date shall become the employees of FVIL from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by LEE and without any interruption of or break in service as a result of the amalgamation of the LEE

24.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by LEE for its employees (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds being transferred to FVIL, in terms of the Scheme shall be transferred to FVIL and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of FVIL, either be continued as separate funds of FVIL for the benefit of the employees of LEE or be transferred to and merged with other similar funds of FVIL. In the event that FVIL does not have its own funds in respect of any of the above, FVIL may, subject to necessary approvals and permissions, continue to contribute to relevant funds of LEE, until such time that FVIL creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of LEE shall be transferred to the funds created by FVIL. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of FVIL may decide to continue to make the said contributions to the Funds of LEE. It is clarified that the services of the employees of LEE will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

25. TAX CREDITS

- 25.1 FVIL will be the successor of LEE. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed by LEE and the obligations if any for payment of the tax on any assets of LEE or their erection and / or installation, etc. shall be deemed to have been availed by FVIL or as the case may be deemed to be the obligations of FVIL. Consequently, and as the Scheme does not contemplate removal of any asset by FVIL from the premises in which it is installed, no reversal of any tax credit needs to be made.
- 25.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by LEE including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of FVIL.
- 25.3 FVIL is expressly permitted to revise its tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of LEE as vested with FVIL upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

## 26. WINDING UP OF LEE

- 26.1 On and from the Effective Date LEE shall stand dissolved without being wound up.

## PART D - DEMERGER OF THE FRL DEMERGED UNDERTAKING OF FRL

### 27. TRANSFER AND VESTING OF FRL DEMERGED UNDERTAKING OF FRL

With effect from the Appointed Date, the FRL Demerged Undertaking of FRL shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961, stand transferred to and vested in or deemed to be transferred to and vested in FLFL, as a going concern and in the following manner:

- 27.1 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the undertaking and properties of the FRL Demerged Undertaking, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and /



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or be deemed to be transferred to and vested in FLFL so as to vest in FLFL all rights, title and interest pertaining to the FRL Demerged Undertaking.

- (i) All the movable assets pertaining to the FRL Demerged Undertaking, which are capable of being physically transferred including cash on hand, shall be physically handed over by delivery to FLFL to the end and intent that the property therein passes to FLFL. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of FRL and FLFL.
- (ii) In respect of other assets pertaining to the FRL Demerged Undertaking including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, FRL shall, on being so requested by FLFL, issue notices in such form as FLFL may specify stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, FLFL as the person entitled thereto, to the end and intent that the right of FRL to receive, recover or realize the same, stands transferred to FLFL and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- (iii) any and all immovable properties (including land together with the buildings and structures standing thereon) of FRL relating to the FRL Demerged Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in FLFL, without any act or deed done by FRL or FLFL. With effect from the Appointed Date, FLFL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of FLFL shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of FLFL.

- (iv) In respect of such of the assets belonging to the FRL Demerged Undertaking other than those referred to in clause (i) to (iii), the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in FLFL on the Appointed Date pursuant to the provisions of Section 394 of the Act

27.2 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of FRL pertaining to the FRL Demerged Undertaking under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to FLFL, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of FLFL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the FRL Demerged Undertaking are securities for liabilities of the FRL Remaining Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets retained by FRL and shall cease to operate against any of the assets transferred to FLFL in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which Instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the FRL Remaining Undertaking are securities for liabilities of the FRL Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets transferred to FLFL and shall cease to operate against any of the assets retained in FRL in terms of this Scheme.

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The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

*provided further* that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of FLFL shall continue with respect to such assets or any part thereof of FLFL and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the FRL Demerged Undertaking vested in FLFL, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by FRL in relation to the FRL Demerged Undertaking which shall vest in FLFL by virtue of the vesting of the FRL Demerged Undertaking with FLFL and FLFL shall not be obliged to create any further or additional security therefore after the Scheme has become effective.

*Provided further that* all the loans, advances and other facilities sanctioned to FRL in relation to the FRL Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to FLFL and the said loans and advances may be drawn and utilized either partly or fully by FRL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by FRL in relation to the FRL Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to FLFL and all the obligations of FRL in relation to the FRL Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of FLFL without any further act or deed on the part of FLFL.

27.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by FRL required to carry on operations of the FRL Demerged Undertaking shall stand vested in or transferred to FLFL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of FLFL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to FLFL as if they were originally obtained by FLFL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person,

or availed of by FRL relating to the FRL Demerged Undertaking, are concerned, the same shall vest with and be available to FLFL on the same terms and conditions as applicable to FRL, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to FLFL.

- 27.4 The transfer and vesting of the FRL Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the FRL Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the FRL Demerged Undertaking.
- 27.5 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the FRL Demerged Undertaking which FRL owns or to which FRL is a party and which cannot be transferred to FLFL for any reason whatsoever, FRL shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FLFL to which the FRL Demerged Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

## 28. CONSIDERATION

- 28.1 Upon this Scheme coming into effect, in consideration of the transfer of the FRL Demerged Undertaking by FRL to FLFL in terms of this Scheme, FLFL shall, without any further act or deed, issue and allot to each Shareholders whose name appears in the records of FRL or as beneficiary in the records of the depositories of FRL in respect of the shares of FRL on the Record Date, 1 (One) equity share of Rs. 2/- each, credited as fully paid in the capital of FLFL, for every 3 (Three) fully paid up FRL Equity Shares/ FRL DVRs held by them in FRL (the "FRL Share Entitlement Ratio").
- 28.2 The equity shares to be issued and allotted by FLFL as per Clause 28 hereof shall be at par, credited as fully paid up and shall have rights attached thereto as under:
- (a) they shall in all respects, rank *pari passu* with the existing equity shares of FLFL; and
  - (b) they will be subject to the applicable provisions of the Charter Documents of FLFL.
- 28.3 Shares to be issued by FLFL pursuant to Clause 28 in respect of any FRL Equity Shares and FRL DVRs which are held in abeyance under the provisions of Section 206A of the Act or

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otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by FLFL

28.4 In so far as the issue of shares pursuant to Clause 28 is concerned, the same shall be issued and allotted in dematerialized form to those FRL Equity Shareholders and FRL DVR Shareholders who hold FRL Equity Shares/ FRL DVRs in dematerialized form, in to the account with the Depository Participant in which the FRL Equity Shares/ FRL DVRs in FRL are held or such other account with the Depository Participant as is intimated by the FRL Equity Shareholders and FRL DVR Shareholders to FLFL before the Record Date. All those FRL Equity Shareholders and FRL DVR Shareholders who hold FRL Equity Shares/ FRL DVRs of FRL in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to FLFL before the Record Date. In the event that FLFL has received notice from any FRL Equity Shareholder/ FRL DVR Shareholder that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her /its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of FLFL, then FLFL shall issue equity shares of FLFL, in accordance with the FRL Share Entitlement Ratio, as the case may be, in physical form to such FRL Equity Shareholder/ FRL DVR Shareholder.

28.5 in case any FRL Equity Shareholder/ FRL DVR Shareholder has holding in FRL, such that it becomes entitled to a fraction of an equity share of FLFL, FLFL shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions:

- (a) Consolidate such fractions and issue consolidated shares to a trustee nominated by FLFL in that behalf, who shall, sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;
- (b) Round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of Securities to the relevant shareholder;
- (c) Deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of ERL and FLFL.

28.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of FRL, the board of directors or any committee thereof of FRL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to

effectuate such a transfer in FRL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in FRL and in relation to the shares issued by FLFL after the effectiveness of this Scheme. The board of directors of FRL and FLFL shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in FLFL on account of difficulties faced in the transaction period.

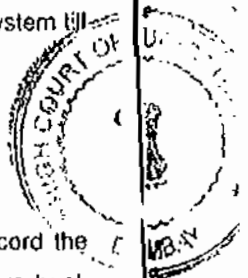
- 28.7 The shares issued by FLFL in terms of Clause 28 of this Scheme and the shares held by shareholders of FLFL prior to such issuance will be listed and / or admitted to trading on the Stock Exchanges, where the shares of FRL are listed and / or admitted to trading and all necessary applications will be made in this respect by FLFL.
- 28.8 Approval of this Scheme by the shareholders of FLFL shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by FLFL to the shareholders of FRL, as provided in this Scheme.
- 28.9 The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange

#### 29. ACCOUNTING TREATMENT IN THE BOOKS OF FLFL

- 29.1 Upon the Scheme becoming effective and from the Appointed Date, FLFL shall record the assets and liabilities pertaining to the FRL Demerged Undertaking at their respective book values.
- 29.2 The aggregate face value of shares issued by FLFL pursuant to this Part shall be recorded as Share Capital
- 29.3 The difference between the value of assets and liabilities arising pursuant to Clause 29.1, after adjustment pursuant to Clause 29.2, shall be credited to Capital Reserve.

#### 30. ACCOUNTING TREATMENT IN THE BOOKS OF FRL

- 30.1 Upon the Scheme becoming effective and from the Appointed Date, FRL shall reduce from its books, the book value of assets and liabilities transferred as part of the FRL Demerged Undertaking to FLFL, pursuant to the Scheme.
- 30.2 The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be debited against the Capital Reserve.



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### 31. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 31.1 FRL in respect of the FRL Demerged Undertaking, shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for FLFL. FRL hereby undertakes to hold the said assets with utmost prudence until the Effective Date;
- 31.2 With effect from the Appointed Date, All the profits or income accruing or arising to FRL in respect of the FRL Demerged Undertaking or expenditure or losses arising to or incurred by FRL in respect of the FRL Demerged Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of FLFL;
- 31.3 FRL in respect of the FRL Demerged Undertaking shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of FLFL, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the FRL Demerged Undertaking or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the FRL Demerged Undertaking or a substantial expansion of FRL Demerged Undertaking;



### 32. DECLARATION OF DIVIDEND

- 32.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent FLFL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.
- 32.2 FRL shall not utilize the profits or income, if any, relating to the FRL Demerged Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of FLFL.

### 33. LEGAL PROCEEDINGS

- 33.1 All legal proceedings of whatsoever nature by or against FRL pending and/or arising before the Effective Date and relating to the FRL Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against FLFL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against FRL.

33.2 After the Effective Date, if any proceedings are taken against FRL in respect of the matters referred to in the sub-clause 33.1 above, it shall defend the same at the cost of FLFL and FLFL shall reimburse and indemnify FRL against all liabilities and obligations incurred by FRL in respect thereof.

33.3 FLFL undertakes to have all respective legal or other proceedings initiated by or against FRL referred to in Clauses 33.1 or 33.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against FLFL as the case may be, to the exclusion of FRL.

#### 34. CONTRACTS, DEEDS, ETC.

34.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the FRL Demerged Undertaking, shall continue in full force and effect against or in favour of FLFL and may be enforced effectively by or against FLFL as fully and effectually as if, instead of FRL, FLFL had been a party thereto.

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

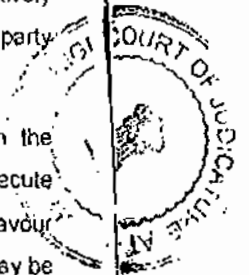
#### 35. SAVING OF CONCLUDED TRANSACTIONS

35.1 The transfer of assets, properties and liabilities above and the continuance of proceedings by or against FLFL above shall not affect any transaction or proceedings already concluded in FRL, in relation to the FRL Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that FLFL accepts and adopts all acts, deeds and things done and executed by FRL, in relation to the FRL Demerged Undertaking in respect thereto as done and executed on their behalf.

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36. STAFF, WORKMEN & EMPLOYEES

- 36.1 Upon the coming into effect of this Scheme, all employees of FRL engaged in or in relation to the FRL Demerged Undertaking and who are in such employment as on the Effective Date shall become the employees of FLFL from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by FRL and without any interruption of or break in service as a result of the transfer of the FRL Demerged Undertaking.
- 36.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by FRL for the employees related to the FRL Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees related to the FRL Demerged Undertaking being transferred to FLFL, in terms of the Scheme shall be transferred to FLFL and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of FLFL, either be continued as separate funds of FLFL for the benefit of the employees related to FRL Demerged Undertaking or be transferred to and merged with other similar funds of FLFL. In the event that FLFL does not have its own funds in respect of any of the above, FLFL may, subject to necessary approvals and permissions, continue to contribute to relevant funds of FRL, until such time that FLFL creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to FRL Demerged Undertaking shall be transferred to the funds created by FLFL. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of FRL and FLFL may decide to continue to make the said contributions to the Funds of FRL. It is clarified that the services of the employees of the FRL Demerged Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.
- 36.3 Any question that may arise as to whether any employee belongs to or does not belong to the FRL Demerged Undertaking shall be decided by the Board of Directors or Committee thereof of FRL.
- 36.4 In respect of the stock options outstanding under the FRL Employees Stock Option Plan/(s) in the hands of the employees of the FRL Demerged Undertaking, it is hereby clarified that the options which have been granted but have not vested in the employees of the FRL Demerged Undertaking as of the Effective Date would lapse. FLFL will put in place a suitable stock option scheme on terms and conditions not less favourable to the employees than those of the FRL Stock Option Scheme which will be offered to such employees of the FRL



Demerged Undertaking whose options under the FRL Stock Option Scheme have lapsed pursuant to this Clause. The options under the FRL Stock Option Scheme which, as of the Effective Date, have been vested in employees of the FRL Demerged Undertaking but have not been exercised, would be appropriately adjusted in FRL / would be issued options in FLFL under the such that the economic benefit on such options as have been vested in the hands of the employee remains same.

- 36.5 For the avoidance of doubt it is hereby clarified that upon the coming into effect of this Scheme, the options granted and / or vested, under and pursuant to the FRL Stock Option Scheme to the employees of the Remaining Undertaking of FRL as of the Effective Date would continue and the exercise price of such options or number of options to be vested would be suitably adjusted / recomputed in order to compensate the employees of FRL for reduction in the intrinsic value of FRL pursuant to the demerger of FRL Demerged Undertaking or suitable provision shall be made for issue of shares in FLFL as an when the options are exercised.

### 37. REMAINING BUSINESS OF FRL

- 37.1 It is clarified that, the Remaining business of FRL shall continue with FRL as follows:
- (a) The Remaining business of FRL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by FRL.
  - (b) All legal and other proceedings by or against FRL under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining business of FRL (including those relating to any property, right, power, liability, obligation or duty, of FRL in respect of the Remaining business of FRL) shall be continued and enforced by or against FRL.
- 37.2 With effect from the Appointed Date and including the Effective Date –
- (a) FRL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining business of FRL for and on its own behalf;
  - (b) all profit accruing to FRL thereon or losses arising or incurred by it relating to the Remaining business of FRL shall, for all purposes, be treated as the profit, or losses, as the case may be, of FRL.



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### 38. TAX CREDITS

- 38.1 FLFL will be the successors of FRL vis-à-vis the FRL Demerged Undertaking. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the FRL Demerged Undertaking and the obligations if any for payment of the tax on any assets forming part of FRL Demerged Undertaking or their erection and / or installation, etc. shall be deemed to have been availed by FLFL or as the case may be deemed to be the obligations of FLFL. Consequently, and as the Scheme does not contemplate removal of any asset by FLFL from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by FRL.
- 38.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by FRL relating to the FRL Demerged Undertaking including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of FLFL.
- 38.3 FRL and FLFL are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the FRL Demerged Undertaking of FRL as vested with FLFL upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.



### PART E – DEMERGER OF THE FVIL DEMERGED UNDERTAKING OF FVIL

#### 39. TRANSFER AND VESTING OF FVIL DEMERGED UNDERTAKING OF FVIL

After the transfer and vesting of the ILCL Demerged Undertaking and merger of LEE with FVIL and the transfer and vesting of the FRL Demerged Undertaking into FLFL, with effect from the Appointed Date and upon the coming into effect of the Scheme, the FVIL Demerged Undertaking of FVIL shall, in accordance with Section 2(19AA) of the Income-tax Act, 1961, stand transferred to and vested in or deemed to be transferred to and vested in FLFL, as a going concern and in the following manner:

- 39.1 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the undertaking and properties of the FVIL Demerged Undertaking, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and /

or be deemed to be transferred to and vested in FLFL so as to vest in FLFL all rights, title and interest pertaining to the FVIL Demerged Undertaking.

- (i) All the movable assets pertaining to the FVIL Demerged Undertaking, which are capable of being physically transferred including cash on hand, shall be physically handed over by delivery to FLFL to the end and intent that the property therein passes to FLFL. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors or Committees thereof of FVIL and FLFL;
- (ii) In respect of other assets pertaining to FVIL Demerged Undertaking including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, FVIL shall, on being so requested by FLFL, issue notices in such form as FLFL may specify stating that pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, FLFL as the person entitled thereto, to the end and intent that the right of FVIL to receive, recover or realize the same, stands transferred to FLFL and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- (iii) any and all immovable properties (including land together with the buildings and structures standing thereon) of FVIL relating to the FVIL Demerged Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in FLFL, without any act or deed done by FVIL or FLFL. With effect from the Appointed Date, FLFL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of FLFL shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of FLFL
- (iv) In respect of such of the assets belonging to the FVIL Demerged Undertaking other than those referred to in clause (i) to (iii), the same shall be transferred to

and vested in and/or be deemed to be transferred to and vested in FLFL on the Appointed Date pursuant to the provisions of Section 394 of the Act

39.2 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of every kind, nature and description of FVIL pertaining to FVIL Demerged Undertaking under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to FLFL, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations of FLFL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause

39.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by FVIL required to carry on operations of FVIL Demerged Undertaking shall stand vested in or transferred to FLFL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of FLFL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to FLFL as if they were originally obtained by FLFL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by FVIL relating to the FVIL Demerged Undertaking, are concerned, the same shall vest with and be available to FLFL on the same terms and conditions as applicable to FVIL, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to FLFL.

39.4 The transfer and vesting of the FVIL Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the FVIL Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the FVIL Demerged Undertaking.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the FVIL Demerged Undertaking are securities for liabilities of the FVIL Remaining

Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets retained by FVIL and shall cease to operate against any of the assets transferred to FLFL in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

In so far as any securities, charges, hypothecation and mortgages over the assets comprised in the FVIL Remaining Undertaking are securities for liabilities of the FVIL Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the securities, charges, hypothecation and mortgages shall only extend to and continue to operate against the assets transferred to FLFL and shall cease to operate against any of the assets retained in FVIL in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this Clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

*Provided further* that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of FLFL shall continue with respect to such assets or any part thereof of FLFL and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the FVIL Demerged Undertaking vested in FLFL, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by FVIL in relation to the FVIL Demerged Undertaking which shall vest in FLFL by virtue of the vesting of the FVIL Demerged Undertaking with FLFL and FLFL shall not be obliged to create any further or additional security therefore after the Scheme has become effective.

*Provided further that* all the loans, advances and other facilities sanctioned to FVIL in relation to the FVIL Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized may be deemed to be the loans and

advances sanctioned to FLFL and the said loans and advances shall be drawn and utilized either partly or fully by FVIL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by FVIL in relation to the FVIL Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to FLFL and all the obligations of FVIL in relation to the FVIL Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of FLFL without any further act or deed on the part of FLFL.

39.5 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the FVIL Demerged Undertaking which FVIL owns or to which FVIL is a party and which cannot be transferred to FLFL for any reason whatsoever, FVIL shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FLFL to which the FVIL Demerged Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

#### 40. CONSIDERATION

40.1 Upon this Scheme coming into effect, in consideration of the transfer of the FVIL Demerged Undertaking by FVIL to FLFL in terms of this Scheme, FLFL shall, without any further act or deed, issue and allot to each equity Shareholders whose name appears in the records of FVIL or as beneficiary in the records of the depositories of FVIL in respect of the shares of FVIL on the Record Date, 1 (One) equity share of Rs. 2/- each, credited as fully paid in the capital of FLFL, for every 31 (Thirty One) fully paid up equity shares held by them in FVIL (the "FVIL Share Entitlement Ratio").

40.2 The equity shares to be issued and allotted by FLFL as per Clause 40 hereof shall be at par, credited as fully paid up and shall have rights attached thereto as under:

(c) they shall in all respects, rank *pari passu* with the existing equity shares of FLFL; and

(d) they will be subject to the applicable provisions of the Charter Documents of FLFL.

40.3 Shares to be issued by FLFL pursuant to Clause 40 in respect of any equity shares of FVIL which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by FLFL.

40.4 In so far as the issue of shares pursuant to Clause 40 is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity Shares in FVIL in dematerialized form, in to the account with the Depository Participant in which the equity shares of FVIL are held or such other account with the Depository Participant as is intimated by the equity shareholders to FLFL before the Record Date. All those equity shareholders of FVIL who hold equity Shares of FVIL in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to FLFL before the Record Date. In the event that FLFL has received notice from any equity shareholder of FVIL that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her /its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of FLFL, then FLFL shall issue equity shares of FLFL, in accordance with the FVIL Share Entitlement Ratio, as the case may be, in physical form to such equity Shareholder

40.5 In case any equity shareholder of FVIL has holding in FVIL, such that it becomes entitled to a fraction of an equity share of FLFL, FLFL shall not issue fractional share certificates to such member but shall instead, at its absolute discretion, decide to take any or a combination of the following actions.

- (a) Consolidate such fractions and issue consolidated shares to a trustee nominated by FLFL in that behalf, who shall, sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;
- (b) Round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of Securities to the relevant shareholder;
- (c) Deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of FVIL and FLFL.

40.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of FVIL, the board of directors or any committee thereof of FVIL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in FVIL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in FVIL and in relation to the shares issued by FLFL after the effectiveness of this Scheme. The board of directors of FVIL and FLFL shall be empowered to jointly remove such difficulties as



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may arise in the course of implementation of this Scheme and registration of new members in FLFL on account of difficulties faced in the transaction period.

- 40.7 The shares issued by FLFL in terms of Clause 40 of this Scheme and the shares held by shareholders of FLFL prior to such issuance will be listed and / or admitted to trading on the Stock Exchanges, where the shares of FVIL are listed and / or admitted to trading and all necessary applications will be made in this respect by FLFL.
- 40.8 Approval of this Scheme by the shareholders of FLFL shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by FLFL to the equity shareholders of FVIL, as provided in this Scheme

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- 40.9 The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange

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#### 41. ACCOUNTING TREATMENT IN THE BOOKS OF FLFL

- 41.1 Upon the Scheme becoming effective and from the Appointed Date, FLFL shall record the assets and liabilities pertaining to the FVIL Demerged Undertaking at their respective book values.

- 41.2 The aggregate face value of shares issued by FLFL pursuant to this Part shall be recorded as Share Capital

- 41.3 The difference between the value of assets and liabilities arising pursuant to Clause 41.1, after adjustment pursuant to Clause 41.2, shall be credited to Capital Reserve

#### 42. ACCOUNTING TREATMENT IN THE BOOKS OF FVIL

- 42.1 Upon the Scheme becoming effective and from the Appointed Date, FVIL shall reduce from its books, the book value of assets and liabilities transferred as part of the FVIL Demerged Undertaking to FLFL, pursuant to the Scheme

- 42.2 The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be debited to the Goodwill account of FVIL.

#### 43. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 43.1 FVIL in respect of the FVIL Demerged Undertaking, shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for FLFL. FVIL hereby undertakes to hold the said assets with utmost prudence until the Effective Date;



43.2 With effect from the Appointed Date, All the profits or income accruing or arising to FVIL in respect of the FVIL Demerged Undertaking or expenditure or losses arising to or incurred by FVIL in respect of the FVIL Demerged Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of FLFL;

43.3 FVIL in respect of the FVIL Demerged Undertaking shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of FLFL alienate, charge, mortgage, encumber or otherwise deal with or dispose off the FVIL Demerged Undertaking or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the FVIL Demerged Undertaking or a substantial expansion of the FVIL Demerged Undertaking.

#### 44. DECLARATION OF DIVIDEND

44.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent FLFL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.

44.2 FVIL shall not utilize the profits or income, if any, relating to the FVIL Demerged Undertaking for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of FLFL.

#### 45. LEGAL PROCEEDINGS

45.1 All legal proceedings of whatsoever nature by or against FVIL pending and/or arising before the Effective Date and relating to the FVIL Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason, of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against FLFL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against FVIL

45.2 After the Effective Date, if any proceedings are taken against FVIL in respect of the matters referred to in the sub-clause 45.1 above, it shall defend the same at the cost of FLFL, and FLFL shall reimburse and indemnify FVIL against all liabilities and obligations incurred by FVIL in respect thereof.

45.3 FLFL undertakes to have all respective legal or other proceedings initiated by or against FVIL referred to in Clauses 45.1 or 45.2 above transferred into its name and to have the same

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continued, prosecuted and enforced by or against FLFL as the case may be, to the exclusion of FVIL.

#### 46. CONTRACTS, DEEDS, ETC.

46.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the FVIL Demerged Undertaking, shall continue in full force and effect against or in favour of FLFL and may be enforced effectively by or against FLFL as fully and effectually as if, instead of FVIL, FLFL had been a party thereto.

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

#### 47. SAVING OF CONCLUDED TRANSACTIONS

47.1 The transfer of assets, properties and liabilities above and the continuance of proceedings by or against FLFL above shall not affect any transaction or proceedings already concluded in FVIL. In relation to the FVIL Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that FLFL accepts and adopts all acts, deeds and things done and executed by FVIL, in relation to the FVIL Demerged Undertaking in respect thereto as done and executed on their behalf.

#### 48. STAFF, WORKMEN & EMPLOYEES

48.1 Upon the coming into effect of this Scheme, all employees of FVIL engaged in or in relation to the FVIL Demerged Undertaking and who are in such employment as on the Effective Date shall become the employees of FLFL from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not

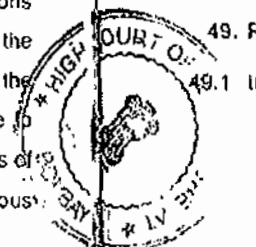
less favorable than those on which they are engaged by FVIL and without any interruption of or break in service as a result of the transfer of the FVIL Demerged Undertaking.

48.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by FVIL for the employees related to the FVIL Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are referable to the employees related to the FVIL Demerged Undertaking being transferred to FLFL, in terms of the Scheme shall be transferred to FLFL and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of FLFL, either be continued as separate funds of FLFL for the benefit of the employees related to FVIL Demerged Undertaking or be transferred to and merged with other similar funds of FLFL. In the event that FLFL does not have its own funds in respect of any of the above, FLFL may, subject to necessary approvals and permissions, continue to contribute to relevant funds of FVIL, until such time that FLFL creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to FVIL Demerged Undertaking shall be transferred to the funds created by FLFL. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of FVIL and FLFL may decide to continue to make the said contributions to the Funds of FVIL. It is clarified that the services of the employees of the FVIL Demerged Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

48.3 Any question that may arise as to whether any employee belongs to or does not belong to FVIL Demerged Undertaking shall be decided by the Board of Directors or Committee thereof of FVIL.

48.4 In respect of the stock options outstanding under the FVIL Employees Stock Option Plan(s) in the hands of the employees of the FVIL Demerged Undertaking, it is hereby clarified that the options which have been granted but have not vested in the employees of the FVIL Demerged Undertaking as of the Effective Date would lapse. FLFL will put in place a suitable stock option scheme on terms and conditions not less favourable to the employees than those of the FVIL Stock Option Scheme which will be offered to such employees of the FVIL Demerged Undertaking whose options under the FVIL Stock Option Scheme have lapsed pursuant to this Clause. The options under the FVIL Stock Option Scheme which, as of the Effective Date, have been vested in employees of the FVIL Demerged Undertaking but have not been exercised, would be appropriately adjusted in FVIL / would be issued options in

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48.5 For the avoidance of doubt it is hereby clarified that upon the coming into effect of this Scheme the options granted and / or vested, under and pursuant to the FVIL Stock Option Scheme to the employees of the Remaining Undertaking of FVIL as of the Effective Date would continue and the exercise price of such options or number of options to be vested would be suitably adjusted / recomputed in order to compensate the employees of FVIL, for reduction in the intrinsic value of FVIL pursuant to the demerger of FVIL Demerged Undertaking or suitable provision shall be made for issue of shares in FLFL as an when the options are exercised

49. REMAINING BUSINESS OF FVIL

49.1 It is clarified that, the Remaining business of FVIL shall continue with FVIL as follows:  
(c) The Remaining business of FVIL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by FVIL.  
(d) All legal and other proceedings by or against FVIL under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining business of FVIL (including those relating to any property, right, power, liability, obligation or duty, of FVIL in respect of the Remaining business of FVIL) shall be continued and enforced by or against FVIL.

49.2 With effect from the Appointed Date and including the Effective Date -

(c) FVIL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining business of FVIL, for and on its own behalf;  
(d) all profit accruing to FVIL thereon or losses arising or incurred by it relating to the Remaining business of FVIL shall, for all purposes be treated as the profit, or losses, as the case may be, of FVIL

50. TAX CREDITS

50.1 FLFL will be the successors of FVIL vis-à-vis the FVIL Demerged Undertaking Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the FVIL Demerged Undertaking and the obligations if any for payment of the tax on any

assets forming part of the FVIL Demerged Undertaking or their erection and / or installation, etc. shall be deemed to have been availed by FLFL or as the case may be deemed to be the obligations of FLFL. Consequently, and as the Scheme does not contemplate removal of any asset by FLFL from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by FVIL.

50.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by FVIL relating to the FVIL Demerged Undertaking including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of FLFL.

50.3 FVIL and FLFL are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the FVIL Demerged Undertaking of FVIL as vested with FLFL upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

#### PART F - REDUCTION OF SHARE CAPITAL OF FVIL

##### 51. REDUCTION

51.1 The face value of shares held by shareholders of FVIL, as on the Record Date shall be reduced from Rs. 10 each to Rs. 6 each.

51.2 The credit arising pursuant to the above reduction shall be credited to Business Restructuring Reserve

51.3 The reduction of capital of the Company pursuant to the Scheme shall be given effect as an integral part of the Scheme without having to follow the process under Section 100 to 103 of the Act separately and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act will not be applicable

51.4 Notwithstanding the reduction of subscribed and paid up equity share capital of FVIL, FVIL shall not be required to add "And Reduced" as suffix to its name.

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- 51.5 The Business Restructuring Reserve arising pursuant to this Part shall be available for set off of Goodwill, if any arising in the books of FVIL pursuant to this Scheme or otherwise. The balance, if any, left in the Business Restructuring Reserve, after the aforesaid adjustment, shall be transferred to Capital Reserve. The balance Goodwill, if any, shall be amortised as per the accounting standards or generally accepted accounting principles.

#### PART G – GENERAL TERMS & CONDITIONS

##### 52. CONDITIONALITY OF THE SCHEME

52.1 This Scheme is and shall be conditional upon and subject to.

- (a) The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of ILCL, LEE, FLFL, FRL and FVIL as may be directed by the High Court
- (b) The sanction of the High Court under Sections 391 to 394 of the said Act read with Section 78 and Sections 100 to 103 of the Companies Act, 1956 in favour of ILCL, LEE, FLFL, FRL and FVIL under the said provisions and to the necessary Order under Section 394 of the said Act being obtained.
- (c) Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by ILCL, LEE, FLFL, FRL and FVIL as may be applicable

52.2 Each Section of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. Each Section is independent of the other Section of the Scheme and is severable. The Scheme shall be effective upon sanction of the High Court. However, failure of any one part of one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities or for any other reason that the Board of Directors may deem fit than this shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to sever such part(s) of the Scheme and implement the rest of the Scheme with such modification.

52.3 Subject to provisions of the Scheme and save as provided in the Scheme, there shall be no change in the shareholding pattern or control in FLFL between the Record Date and the listing which may affect the status of approval of Stock Exchanges.

##### 53. MODIFICATION OR AMENDMENTS TO THE SCHEME

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- 53.1 ILCL, LEE, FLFL, FRL and FVIL by their respective Board of Directors or any duly authorised committee may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 53.2 ILCL, LEE, FLFL, FRL and FVIL shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Honourable High Court or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

54. EFFECT OF NON-RECEIPT OF APPROVALS

- 54.1 In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of ILCL, LEE, FLFL, FRL and FVIL shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme

55. RESOLUTIONS

- 55.1 Approval to the Scheme by shareholders of FLFL shall be deemed to be approval under Section 372A and all other applicable provisions of the Act for the holding of investments vested pursuant to the Scheme, by FLFL

56. COSTS, CHARGES AND EXPENSES

- 56.1 FVIL shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with Part B, Part C and Part E of the Scheme.
- 56.2 FRL shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with Part D of the Scheme

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SCHEME PETITION NO. 247 OF 2013  
CONNECTED WITH  
COMPANY SUMMONS FOR DIRECTION NO. 109 OF  
2013

In the matter of the Companies Act, 1956 (1 of 1956);  
AND  
In the matter of Sections 391 to 394 read with Section 78  
and Sections 100 to 103 of the Companies Act, 1956;  
AND

In the matter of Composite Scheme of Arrangement and  
Amalgamation

between  
Indus-League Clothing Limited ("ILCL" or "the Demerged  
Company No. 1")

and  
Lee Cooper (India) Limited ("Lee" or "the Transferor  
Company No. 1")

and  
Future Ventures India Limited ("FVIL" or "the Resulting  
Company 1/ Transferee Company/ Demerged Company  
3")

and  
Future Retail Limited ("FRL" or "the Demerged Company  
2")

with  
Future Lifestyle Fashions Limited ("FLFL" or "the  
Resulting Company 2")

and  
their respective shareholders and creditors  
**FUTURE LIFESTYLE FASHIONS LIMITED**  
..... Petitioner Company

Authenticated copy of Minutes of Order dated May 10,  
2013 along with the Scheme of Arrangement

Applied on 10-05-2013  
Engrossed on 22-05-2013  
Section Writer .....

M/S RAJESH SHAH & CO  
Advocates for the Petitioner  
16, Oriental Building  
30, Nagindas Master Road  
Flora Fountain, Mumbai - 400 001

Folio .....

Examined by SB on page (Grand)  
Compared with Patel  
Ready on 23/05/2013  
Balanced on 28/05/2013

